

**PENNS GROVE-CARNEYS POINT
REGIONAL
SCHOOL DISTRICT**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

**Penns Grove-Carneys Point Regional Board of Education
Penns Grove, New Jersey**

For the Fiscal Year Ended June 30, 2014

**Prepared by
Penns Grove-Carneys Point Board of Education
Finance Department**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
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INTRODUCTORY SECTION

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

Administration Building

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October 30, 2014

Honorable President and Members
of the Board of Education
Penns Grove-Carneys Point Regional School District
County of Salem
Penns Grove, N.J. 08069-2057

Dear Board Members:

The comprehensive annual financial report of the Penns Grove-Carneys Point Regional School District (District) for the fiscal year ended June 30, 2014, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures that we feel are necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and the New Jersey State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Awards, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

We are an Equal Opportunity Employer - F/M

1. REPORTING ENTITY AND ITS SERVICES:

Penns Grove-Carneys Point Regional School District is an independent reporting entity within the criteria adopted by the GASB Statement No. 14. All funds of the District are included in this report. The Penns Grove-Carneys Point Regional School District Board of Education and all its schools constitute the District's reporting entity.

General

The School District, serving Penns Grove and Carneys Point, was formed pursuant to Chapter 13 of Title 18A of New Jersey Statutes, which authorizes two or more municipalities to create a regional school district upon the approval of the voters of each of said municipalities. The School District is one of "all purpose" in that it was organized for all of the school purposes of the municipalities included within such regional districts.

The School District is geographically conterminous with Penns Grove and Carneys Point, which are located in Salem County in the southwestern part of the State, approximately 10 miles from Wilmington and 30 miles from Philadelphia.

Facilities

The School District operates five schools: Lafayette-Pershing Schools (Pre-school through Kindergarten), Field Street School (Grades 1 through 3), Paul W. Carleton (Grades 4 through 5), Penns Grove Middle School (Grades 6 through 8), Penns Grove High School (Grades 9 through 12), and an administrative office building.

Staff

The facility for the School District consists of a superintendent, a business administrator, four directors, five principals, three assistant principals and a staff of 220 full-time teachers/professional positions serving a total enrollment of 2,342 students, as of October 14, 2013. The School District has had full academic accreditation. The business of the School District by the Board, consisting of nine members: five members from the Township of Carneys Point, the more populace of the constituent municipalities, and four members from the Borough of Penns Grove.

In addition to the teaching/professional staff, the School District employs 87 instructional and non-instructional aides, 32 cafeteria workers, 21 full-time secretaries, 31 maintenance/custodial staff, and technology staff.

The following details the changes in student enrollment of the District over the last ten years:

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2013-14	2,342	1.17%
2012-13	2,315	(3.02)%
2011-12	2,387	0.63%
2010-11	2,372	(2.63)%
2009-10	2,436	(1.18)%
2008-09	2,465	(0.52)%
2007-08	2,478	5.31%
2006-07	2,353	1.69%
2005-06	2,314	0.52%
2004-05	2,302	0.88%

2. ECONOMIC CONDITION AND OUTLOOK:

Within the District are several large industries which provide tax ratable and jobs to the municipalities. Construction of new housing is expected to result in a slightly increased tax base and School District enrollment.

3. MAJOR INITIATIVES/CURRICULA INITIATIVES:

1a. District Statement of Priorities

- **Maintaining Our School System**

Due to the demands of the Assessment of Readiness for College and Careers (PARCC), the Middle School has been upgrading the existing technology and electrical power. Revisions to the curricular areas in Science, Math and English Language Arts are required in preparation for the new standards in Science and changes in the State Assessment. The new programs will be incorporating performance based assessments and end of year assessments.

- **Raising Standards and Expanding Opportunities**

Providing training to certificated staff in the appropriate use of Edviation and the OnCourse Curriculum Builder Platform to support the ongoing communication and collaboration on the Common Core State Standards. Professional development in Benchmark Literacy used in the district to develop, update and revise the K-12 curricular guides. The district training offerings in AED-CPR to certificated staff to align with the new requirements from NJDOE.

- Building Professionalism

The evaluation system evidence document continues to be revised to ensure transparency and reliability in the implementation of teaching strategies and practices. The leadership team continues receiving sustained and ongoing trainings in the implementation of the evaluation system to ensure fidelity.

- Protecting Our Investment (Capital & Maintenance Projects/Capital Reserve)

Through the approval of Regular Operating District (ROD), the Board of Education continues to address the needs of the facilities and transferring funds into the capital reserve funds.

- Planning for the Future

To provide for the demands of the PARCC requirements the district is increasing device capability and electric power at the schools that are in need to provide for the PARCC's requirements. In order to provide the district certificated staff the opportunity to measure the effectiveness of their SGO, the district continues the development of benchmark assessments that are aligned with the Common Core and State Curricular Standards.

2. Core Curriculum Content Standards

Briefly describe new programs or enhancements to existing programs that will ensure the implementation of the Core Curriculum Content Standards in the 2014-2015 school year.

Content Standards

New Programs/Enhancements

1. Math

Use of Measures of Academic Progress (MAP) to benchmark students' progress in classrooms to personalize instruction. Integration of the 21st century skills by providing professional development in math content knowledge that incorporates the integration of technology. Revisions of the curriculum assessments and units of study in Grades K-5 and the high school to align with the Common Core Standards. Implementation of revised curriculum and units of study for Grades 6-8 to align with the requirements of the Common Core Standards. schedule of implementation per the NJDOE. Use of Houghton Mifflin Harcourt Go Math series in Grades K-5. The implementation of Pearson's Digits Math program in Grades 6-8 to replace Connected Mathematics. Use of an online progress monitoring assessment program in Grades 9-11 to provide Targeted Assistance to students who are below grade level. Use of Learn Beyond online program in Grades 9-10 to provide Targeted Assistance by delivering individualized instructional lessons to students who are below grade level.

2. Science

Use of Measures of Academic Progress (MAP) to benchmark students' progress in classrooms to personalize instruction. Began to unpack Next Generation Science Standards (NGSS) in Grades K-8 and the high school create new curriculum units of study. Implementation of Interdisciplinary Units of study in Grades K-5 to provide an inquiry and literacy approach to science while increasing articulation between Language Arts and Social Studies. Implementation of procedures for textbook adoption in Grades K-8. Revised unit assessments in Grades 9-11 to provide more rigorous assessments to align with the curricular goals. The addition of an Environmental Science course to provide more diversity in high school science offerings. Implementation of the CASE Curriculum for Agricultural Science Program and the implementation of the Animal Science course.

3. Language Arts Literacy

Use of Measures of Academic Progress (MAP) in Language Arts to benchmark students' progress in personalizing instruction based on needs. Implementation of 21st Learning and the Common Core State Standards from K-12 with use of the Benchmark Literacy reading program in grades K-6. Benchmark Literacy training and implementation of strategies in Grades K-6, Use of *Learning Focused* and *Classroom Instruction that Works* strategies to support literacy instruction in Grades K-12. The implementation of guided reading and running records at the early elementary level to intervene with at-risk population. Implementation of revisions to align the curriculum in Grades K-12 to meet the new Common Core State Standards. Use of Pearson's My Foundations Lab and Learn Beyond online programs in Grades 9-10 to provide Targeted Assistance by delivering individualized instructional lessons to students who are below grade level.

4. Social Studies

Alignment with the Common Core State Standards to incorporate Balanced Literacy Approach and articulation with English Language Arts content area. Integration of novels in high school History curriculum. Use of *Learning Focused* and *Classroom Instruction that Works* strategies to support development of literacy skills across the curriculum. Expansion of course offerings to develop a comprehensive, year-long approach to AP History and elective courses. Expansion of appropriate resources, including library software, to support the district's Social Studies Program in Grades PreK-12 with an emphasis on 21st Century Learning. Revisions of the curriculum to meet the newly revised and adopted 2014 Social Studies Standards.

5. Career Ed & Consumer/Family/Life Skills

Use of AGS Math & Science textbooks in the High School grades 9-12 to align with revised curricular goals.

6. Visual and Performing Arts

Revised units of study and performance tasks from the New Jersey Department of Education's 21st Century Learning Documents implemented in Grades K-12.

7. Comprehensive Health and Physical Education

Revised units of study and rubrics from the New Jersey Department of Education (NJDOE) Model Curriculum implemented in Grades K-12.

8. World Languages

To enhance the curriculum articulation and coordination of county-wide activities in World Languages the district has establish a committee that meets on a monthly basis through the auspices of Salem County Bridge. Align Spanish program in high school to reflect high school graduation requirements approved by the State of New Jersey for World Languages and continue articulation with the Spanish program at the elementary and middle school levels. Increased use of informational resources and information-based materials in Spanish taken from library databases and online sources to support increased focus on informational texts in 21st century and Common Core Curriculum. To support the integration of 21st century learning the district has implemented and utilized of Google Apps. The district curriculum continues aligning with the Common Core Standards in units of study across content area to expand the use of PLCs in teaching and learning.

9. Technological Literacy

Hybrid pilot of on-line courses for the school in the areas of Language Arts and Math as well as for students to complete credits necessary for graduation.

4. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining internal control designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control process is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal awards and state financial assistance, the District is also responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control process is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are being made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund.

Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2014.

6. ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 2.

7. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 3. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8. RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to general liability, automobile liability, and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

9. GENERAL FUND BALANCE:

General Fund Balance (budgetary basis) of \$3,369,412 as of June 30, 2014, represents a 9.8% decrease from June 30, 2013. Of the \$3,369,412, \$550,000 has been appropriated for the 2014/2015 school budget in order to maintain a stable tax levy. The remaining \$2,819,412, which includes excess surplus and other restricted fund balance, represents 7.7% of the 2013/2014 General Fund Budget expenditures totaling \$36,509,878.

10. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nightlinger, Colavita and Volpa, P. A., was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

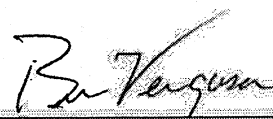
11. ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Penns Grove-Carneys Point Regional School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

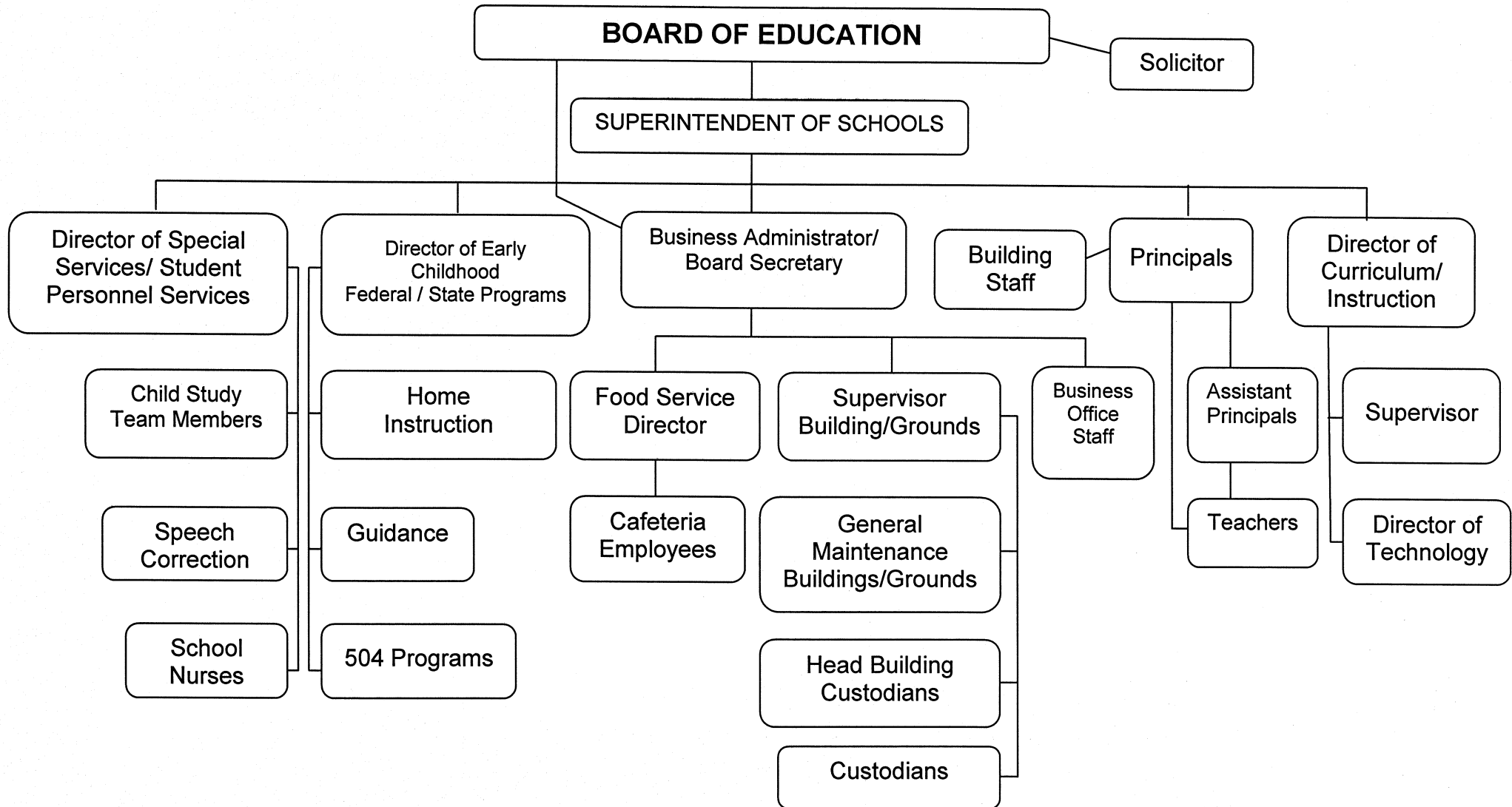


Dr. Zenaida Cobian
Superintendent of Schools



Brian Ferguson
School Business Administrator/
Board Secretary

Penns Grove – Carneys Point Regional School District



PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

ROSTER OF OFFICIALS

JUNE 30, 2014

<u>Board Members Name</u>	<u>Position</u>	<u>Term Expires</u>
Fred Tomarchio	President	2014
Jeanette Harbeson	Vice President	2015
RoseAnn Chiacchio (To: April 14, 2014)	Board Member	
Walter Hudson	Board Member	2016
Kenneth James	Board Member	2014
Ginger Sakes	Board Member	2015
Michael B. Venello	Board Member	2015
Melissa Bundy	Board Member	2014
Vicki Smith	Board Member	2014
Maribel Bermudez	Board Member	2014
<u>Other Officials</u>		<u>Amount of Bond</u>
Joseph Massare, Ed. D. (To: November, 1, 2013)	Superintendent	
Zenaida Cobian, Ed. D. (From: November 1, 2013-June 30, 2014)	Interim Superintendent	
Zenaida Cobian, Ed. D. (From: July 1, 2014)	Superintendent	
Brian E. Ferguson	Business Administrator/ Board Secretary	\$ 275,000
Mark G. Toscano, Esq.	Solicitor	

PENNS GROVE CARNEYS-POINT REGIONAL BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

ARCHITECT

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Fulton Bank of New Jersey
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FINANCIAL ADVISORS

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FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

*A Professional Association
Certified Public Accountants*

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October 30, 2014

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Penns Grove-Carneys Point Regional School District
County of Salem
Penns Grove, NJ 08069

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Penns Grove-Carneys Point Regional School District in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2014, which collectively comprise the Penns Grove-Carneys Point Regional School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Penns Grove-Carneys Point Regional School District Board of Education in the County of Salem, State of New Jersey, as of June 30, 2014, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

The Management Discussion and Analysis and Budgetary Comparison Information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Penns Grove-Carneys Point Regional School District Board of Education's, basic financial statements as a whole. The introductory section, combining fund financial statements, long-term debt schedules and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy For Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, long-term debt schedules and the schedules of expenditures of federal and state assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedure applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated October 30, 2014 on our consideration of the Penns Grove-Carneys Point Regional School District Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Governments Auditing Standard and should be considered in assessing the results of our audit.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.

A handwritten signature in dark ink, appearing to read "Raymond Colavita", is positioned above the printed name.

Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915

REQUIRED SUPPLEMENTARY INFORMATION – PART I

**PENNS GROVE-CARNEYS REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

UNAUDITED

As management of the Penns Grove-Carneys Point Regional School District, we offer readers of the Penns Grove-Carneys Point Regional School District's financial statements this narrative overview and analysis of the financial activities of the Penns Grove-Carneys Point Regional School District for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to review the Penns Grove-Carneys Point Regional School District's financial performance as a whole. Readers should also review the information furnished in our letter of transmittal, notes to the basic financial statements, and financial statements to enhance their understanding of the Penns Grove-Carneys Point Regional School District's financial performance.

Financial Highlights

- The assets of the Penns Grove-Carneys Point Regional School District exceeded its liabilities at the close of the most recent fiscal year by \$14,279,490 (net position).
- The School District's total net position increased by \$401,288. This increase is primarily attributable to a large decrease in liabilities, primarily accounts payable.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$1,384,297, a decrease of \$314,215 in comparison with the prior year. Most of the decrease was attributable to the use of surplus to control taxes.
- At the end of the current fiscal year, unrestricted fund balance for the general fund was a deficit of \$1,284,628, which is a decrease in the deficit of \$83,632 from that of the prior fiscal year. The decrease is due to several factors.
- The School Districts total bonded debt decreased by \$845,000 as a result of budgeted debt principal payments.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Penns Grove-Carneys Point Regional School District's basic financial statements. The School District's basic financial statements comprise three components:

- (1) District-wide financial statements
- (2) Fund financial statements
- (3) Notes to the basic financial statements themselves

District-wide financial statements – These financial statements are designed to provide readers with a broad overview of School District's finances, in a manner similar to a private-sector business. The statement of net position presents information on all of the Penns Grove-Carneys Point Regional School District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Penns Grove-Carneys Point Regional School District is improving or deteriorating.

The statement of activities presents information illustrating Penns Grove-Carneys Point Regional School District's net position change during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused sick leave).

Both of the district-wide financial statements distinguish functions of the Penns Grove-Carneys Point Regional School District that are principally supported by taxes and intergovernmental revenues (governmental activities from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Penns Grove-Carneys Point Regional School District include the education of students in grades K-12 at the Penns Grove-Carneys Point Regional School District's five schools. The business-type activities of the Penns Grove-Carneys Point Regional School District include a Food Service Program and an Academy Program.

Fund Financial Statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Penns Grove-Carneys Point Regional School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Penns Grove-Carneys Point Regional School district can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – Most of the Penns Grove-Carneys Point Regional School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future periods. These funds are reported using an accounting method called modified accrual basis of accounting, which measures cash and all other financial assets that can be readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Penns Grove-Carneys Point Regional School District's general government operations and the basic services I provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs.

The Penns Grove-Carneys Point Regional School District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special revenue fund, capital projects fund, and debt service fund.

The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Also, the Penns Grove-Carneys Point Regional School District adopts an annual budget for its general fund and special revenue fund. Budgetary comparison schedules have been provided for both to demonstrate compliance with the budgets.

Proprietary Funds – The Penns Grove-Carneys Point Regional School District maintains two different types of proprietary funds. Enterprise funds, which are a proprietary fund type used to report an activity for which a fee is charged to external users for goods or services, are used to report the same functions presented as business-type activities in the district-wide financial

statements. The Penns Grove-Carneys Point Regional School District uses enterprise funds to account for its food service program and its academy program.

Proprietary funds provide the same type of information as district-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the food service program and the academy program.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the district-wide financial statements because the resources of those funds are not available to support the Penns Grove-Carneys Point Regional School District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the District-wide financial statements.

District-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Penns Grove-Carneys Point Regional School District, assets exceeded liabilities by \$14,278,334 at the close of the most recent fiscal year.

The largest portion of the Penns Grove-Carneys Point Regional School District's net position reflects its investment in capital assets (i.e., land, buildings, and equipment) less any related debt used to acquire those assets to provide educational services to students; consequently, these assets are not available for future spending. Although the Penns Grove-Carneys Point Regional School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from sources, since the capital assets themselves cannot be used to liquidate these liabilities.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT'S NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and Other Assets \$	1,803,306	\$ 2,001,085	\$ 374,262	\$ 312,505	\$ 2,177,568	\$ 2,313,590
Capital Assets	18,155,771	18,316,287	104,128	119,590	18,259,899	18,435,877
Total Assets	19,959,077	20,317,372	478,390	432,095	20,437,467	20,749,467
Deferred Outflows of Resources	136,281	179,151			136,281	179,151
Long-Term Liabilities						
Outstanding	5,800,055	6,649,454	12,810		5,812,865	6,649,454
Other Liabilities	476,303	368,245	5,090	32,717	481,393	400,962
Total Liabilities	6,276,358	7,017,699	17,900	32,717	6,294,258	7,050,416
Invested in Capital Assets, Net of Related Debt	13,497,052	12,855,438	104,128	119,590	13,601,180	12,975,028
Restricted	2,205,622	2,199,963			2,205,622	2,199,963
Unrestricted	(1,883,674)	(1,576,577)	356,362	279,788	(1,527,312)	(1,296,789)
Total Net Position	\$ 13,819,000	\$ 13,478,824	\$ 460,490	\$ 399,378	\$ 14,279,490	\$ 13,878,202

An additional portion of the Penns Grove-Carneys Point Regional School District's net position represents resources that are subject to external restrictions on how they may be used.

There was an increase of \$61,112 in overall net position for the Penns Grove-Carneys Point Regional School District's business-type activities. This increase was mainly due to a decrease in Food Service Fund expenses.

There was an increase of \$340,176 in overall net position for the Penns Grove-Carneys Point Regional School District's governmental activities. The increase is due to many contributing factors.

Governmental Activities – Governmental activities increased the Penns Grove-Carneys Point Regional School District's net position by \$340,176 and business type activities increased net position by \$59,956. Key elements of the changes are as follows:

Property taxes increased by \$364,519 during the year. This 5% increase represents was necessitated by the loss of various federal and state aid.

General Grant Revenues increased by \$1,581,346 during the year. The increase is the result of increases in state and federal aid of equal proportions.

The overall \$260,839 increase in expenses was attributable to various increases in expenses, the largest of which was in unallocated benefits and student & instruction related services.

Business-type Activities – Business-type activities increased the Penns Grove-Carneys Point Regional School District's net position by \$61,112.

Financial Analysis of the Government's Funds

As stated earlier, the Penns Grove-Carneys Point Regional School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Fund – The focus of the Penns Grove-Carneys Point Regional School District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Penns Grove-Carneys Point Regional School District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the current fiscal year, the Penns Grove-Carneys Point Regional School District's Fund Balance (budgetary basis) as of June 30, 2014 was \$3,369,412, a decrease of \$368,682 from June 2013.

Of the \$3,369,412, \$550,000 has been appropriated for the 2014-15 school budget in order to maintain a stable tax levy. Of the remaining fund balance, \$388,311 is restricted as Excess surplus, \$533,781 has been restricted for encumbrances, \$1,153,431 is capital reserve, \$67,975 is maintenance reserve and \$675,914 is unrestricted and unassigned.

The special revenue fund had a balance deficit at the end of the current fiscal year in the amount of \$86,697. The deficit was a result of the following: N.J.S.A. 18A:22-44.2 providing that in the event one or more June state school aid payments is not made until the following school budget year, districts must record the one or more June state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for Penns Grove-Carneys Point Regional School Districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the one or more June state aid payments in the subsequent fiscal year, the Penns Grove-Carneys Point Regional School District cannot recognize the one or more state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the one or more June state aid payments, the fund balance deficit does not alone indicate that the district is facing financial difficulties.

The capital projects fund had fund balance of \$62,124 at the end of the current and prior year fiscal years. The sole open project was funded in part by the School Development Authority and the balance represents the unspent proceeds of \$8,000 from serial bonds and \$54,124 from the Capital Reserve in the General Fund. The respective state grant portion was closed out in the 2012-13 school-year.

Proprietary Funds – The Penns Grove-Carneys Point Regional School District's proprietary funds provide the same type of information found in the district-wide financial statements, but in more detail.

Unrestricted net position consisted of the following: a positive balance of \$356,362 in the food service program, and a \$0 balance for the academy program. Other factors concerning the finances of these two funds have already been addressed in the discussion of the Penns Grove-Carneys Point Regional School District's business-type activities. There was also a balance representing Investment in Capital Assets of \$93,083 in the Food Service Fund and \$11,045 in the Academy Program.

General Fund Budgetary Highlights

During the course of the 2014 fiscal year, the Penns Grove-Carneys Point Regional School District modified its general fund budget numerous times. The net change in the total budget modification primarily resulted from the rollover of the prior year's encumbrances in the amount of \$618,534.

The final budgetary basis revenue estimate was \$33,077,377, which was the same as the original budgeted estimate.

During fiscal year 2014, the Penns Grove-Carneys Point Regional School District budgeted \$10,368,642 for \$1,178,756 and \$1,837,126 in reimbursed T.P.A.F. Social Security Aid and T.P.A.F. Pension Contributions, respectively.

The final budgetary basis expenditure appropriation estimate was \$35,442,929 compared to the original estimate of \$34,824,395.

The Penns Grove-Carneys Point Regional School Districts expenditures also include the reimbursed T.P.A.F. Social Security Aid and T.P.A.F. Pensions Contributions of \$1,178,756 and \$1,837,126, respectively.

Capital Assets and Debt Administration

Capital Assets – The Penns Grove-Carneys Point Regional School District's investment in capital assets for its governmental and business-type activities as of June 30, 2014 amounts to \$18,259,899 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, and equipment.

At the end of fiscal year 2014, the Penns Grove-Carneys Point Regional had \$34,378,357 invested in land, construction in progress, land improvements, buildings and improvements, and equipment, less accumulated depreciation totaling (\$16,118,458) for net capital assets of \$18,259,899.

Major capital asset events during the fiscal year include several parking lot improvements funded through both the General Fund and Capital Projects Funds and completed construction in progress related to the high school windows and bleachers and project paid through the Capital Projects Fund. The District also initiated a project in the Capital Projects Fund to upgrade the high school science lab and auditorium.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT'S NET POSITION
(NET OF ACCUMULATED DEPRECIATION)

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 1,280,000	\$ 1,280,600	\$	\$	\$ 1,280,000	\$ 1,280,600
Land Improvements	18,511	21,352			18,511	21,352
Building Improvements	16,699,289	16,840,798			16,699,289	16,840,798
Equipment	157,371	173,537	104,128	119,590	261,499	293,127
Total	\$ 18,155,171	\$ 18,316,287	\$ 104,128	\$ 119,590	\$ 18,259,299	\$ 18,435,877

Additional information on the Penns Grove-Carneys Point Regional School District's capital assets can be found in Note 6 to the Financial Statements.

Long-term Debt – At the end of the current fiscal year, the Penns Grove-Carneys Point Regional School District had total bonded debt outstanding of \$4,795,000. The entire Penns Grove-Carneys Point Regional School District's bonded debt is governmental as opposed to business-type. The 2014 adopted budget has an appropriation of \$1,059,416 representing the payment of the annual principal and interest. The bonds were to mature on March 1, 2020. See Note 7 to the Financial Statements for more detail. On September 15, 2014, the Board of Education approved a Refunding Bond Ordinance providing for the refunding of all or a portion of the outstanding callable refunding school bonds of the school district dated March 22, 2005 authorizing the issuance of not to exceed \$4,000,000 refunding bonds to provide for such refunding.

Economic Factors and Next Year's Budget

For the 2013-14 school year, the Penns Grove-Carneys Point Regional School District was able to sustain its budget through the municipal tax levy, federal aid, state aid and miscellaneous revenue sources. Approximately 33% of total revenue is from local tax levy, 66% of the School District's revenue is from federal, state, and local aid (restricted and not restricted). One of the most important factors affecting the Penns Grove-Carneys Point Regional School District's budget is its enrollment. The 2014-15 budget was adopted March 2014 based in part on the state education aid the School District anticipated receiving. This aid was based on the States projected enrollment for the District on October 15, 2013.

The Penns Grove-Carneys Point Regional School District anticipates a slight increase in enrollment for the 2014-15 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the Penns Grove-Carneys Point Regional School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Brian E. Ferguson, School Business Administrator/Board Secretary at the School Administration Building, 100 Iona Avenue, Penns Grove, New Jersey 08069, or email bferguson@pennsgrove.k12.nj.us.

BASIC FINANCIAL STATEMENTS

DISTRICT WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2014

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 556,791	\$ 287,292	\$ 844,083
Receivables, Net	1,229,284	70,296	1,299,580
Interfund Accounts Receivable	17,231		17,231
Inventory		16,674	16,674
Restricted Assets:			
Capital Assets, Net (Note 6)	18,155,771	104,128	18,259,899
Total Assets	<u>19,959,077</u>	<u>478,390</u>	<u>20,437,467</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Loss on Refunding of Bonds	<u>136,281</u>		<u>136,281</u>
LIABILITIES			
Accounts Payable	417,123	158	417,281
Interfund Accounts Payable	1,077		1,077
Accrued Interest	57,294		57,294
Unearned Revenue	809	4,932	5,741
Noncurrent Liabilities (Note 7):			
Due Within One Year	907,000		907,000
Due Beyond One Year	4,893,055	12,810	4,905,865
Total Liabilities	<u>6,276,358</u>	<u>17,900</u>	<u>6,294,258</u>
NET POSITION			
Invested in Capital Assets, Net of Related Debt	13,497,052	104,128	13,601,180
Restricted for:			
Debt Service (Deficit)	62,124		62,124
Capital Projects	1,153,431		1,153,431
Excess Surplus	388,311		388,311
Other Purposes	601,756		601,756
Unrestricted (Deficit)	(1,883,674)	356,362	(1,527,312)
Total Net Position	<u>\$ 13,819,000</u>	<u>\$ 460,490</u>	<u>\$ 14,279,490</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 11,848,422	\$ 1,153,930	\$ 2,013,525	\$ (8,680,967)		\$ (8,680,967)
Special Education	3,520,467			(3,520,467)		(3,520,467)
Other Special Instruction	1,114,718			(1,114,718)		(1,114,718)
Other Instruction	406,459			(406,459)		(406,459)
Support Services:						
Tuition	2,026,092			(2,026,092)		(2,026,092)
Student & Instruction Related Services	3,065,970		431,745	(2,634,225)		(2,634,225)
General Administrative Services	838,268			(838,268)		(838,268)
School Administrative Services	1,530,355			(1,530,355)		(1,530,355)
Other Administrative Services	571,040			(571,040)		(571,040)
Plant Operations and Maintenance	3,383,562			(3,383,562)		(3,383,562)
Pupil Transportation	1,774,562			(1,774,562)		(1,774,562)
Unallocated Benefits	9,503,065		3,540,263	(5,962,802)		(5,962,802)
Interest on Long-Term Debt	298,628		506,121	207,493		207,493
Total Governmental Activities	39,881,608	1,153,930	6,491,654	(32,236,024)		(32,236,024)
Business-Type Activities:						
Food Service	1,152,487	270,222	955,653		73,388	73,388
Academy Program	199,081	186,707			(12,374)	(12,374)
Internal Service Fund	8,800	8,800				
Total Business-Type Activities	1,360,368	465,729	955,653		61,014	61,014
Total Primary Government	\$ 41,241,976	\$ 1,619,659	\$ 7,447,307	(32,236,024)	61,014	(32,175,010)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				10,368,642		10,368,642
Taxes Levied for Debt Service				550,349		550,349
Federal and State Aid Not Restricted				21,546,619		21,546,619
Investment Earnings				5,105	98	5,203
Miscellaneous Income				105,485		105,485
Total General Revenues, Special Items, Extraordinary Items and Transfers				32,576,200	98	32,576,298
Change in Net Position				340,176	61,112	401,288
Net Position — Beginning of Year				13,478,824	399,378	13,878,202
Net Position — End of Year				\$ 13,819,000	\$ 460,490	\$ 14,279,490

The accompanying Notes to Financial Statements are an integral part of this statement

FUND FINANCIAL STATEMENTS

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund.

GOVERNMENTAL FUNDS

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 188,206	\$	\$ 86	\$ 188,292
Restricted Cash - Capital Reserve	653,431			653,431
Interfund Accounts Receivable	417,373		62,038	479,411
Local school District Tax	639,801			639,801
State Aid Recievable	114,703			114,703
Federal Aid Receivable	2,287	457,742		460,029
Receivables From Other Governments	14,751			14,751
Total Assets	\$ 2,030,552	\$ 457,742	\$ 62,124	\$ 2,550,418
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 273,374	\$ 143,749	\$	\$ 417,123
Interfund Accounts Payable	348,047	400,142		748,189
Unearned Revenue	261	548		809
Total Liabilities	621,682	544,439		1,166,121
Fund Balances:				
Restricted:				
Capital Reserve	1,153,431			1,153,431
Maintenance Reserve	67,975			67,975
Excess Surplus	388,311			388,311
Capital Projects Fund			62,124	62,124
Assigned:				
Year-End Encumbrances	533,781			533,781
Designated for Subsequent Year's Expenditures	550,000			550,000
Unassigned (Deficit)	(1,284,628)	(86,697)		(1,371,325)
Total Fund Balances (Deficit)	1,408,870	(86,697)	62,124	1,384,297
Total Liabilities and Fund Balances	\$ 2,030,552	\$ 457,742	\$ 62,124	

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. The cost of the assets is \$33,670,219 and the accumulated depreciation is \$15,514,448. (See Note 6).

18,155,771

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (see Note 7).

(5,800,055)

Deferred Outflow of Resources - Deferred Amount on Refunding of Debt.

136,281

Interest on long term debt is accrued on the Statement of Net Position regardless when due.

(57,294)

Net Position of governmental activities

\$ 13,819,000

The accompanying Notes to Financial Statements are an integral part of this statement.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Tax Levy	\$ 10,368,642	\$	\$	\$ 550,349	\$ 10,918,991
Tuition Charges	1,153,930				1,153,930
Transportation Charges	16,692				16,692
Interest Earned	5,105				5,105
Miscellaneous	87,806	987			88,793
State Sources	24,479,235	869,028		506,121	25,854,384
Federal Sources	91,891	2,091,998			2,183,889
Total Revenues	<u>36,203,301</u>	<u>2,962,013</u>		<u>1,056,470</u>	<u>40,221,784</u>
EXPENDITURES					
Current:					
Regular Instruction	9,531,406	2,013,525			11,544,931
Special Education Instruction	3,520,467				3,520,467
Other Special Instruction	1,114,718				1,114,718
Other Instruction	406,459				406,459
Support Services and Undistributed Costs:					
Tuition	2,026,092				2,026,092
Student and Instruction Related Services	2,634,225	431,745			3,065,970
General Administrative Services	781,045				781,045
School Administrative Services	1,530,355				1,530,355
Other Administrative Services	555,755				555,755
Plant Operations and Maintenance	3,153,643				3,153,643
Pupil Transportation	1,774,562				1,774,562
Unallocated Benefits	8,983,083	524,381			9,507,464
Capital Outlay	498,068				498,068
Debt Service:					
Principal				845,000	845,000
Interest and Other Charges				211,470	211,470
Total Expenditures	<u>36,509,878</u>	<u>2,969,651</u>		<u>1,056,470</u>	<u>40,535,999</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(306,577)</u>	<u>(7,638)</u>			<u>(314,215)</u>
OTHER FINANCING SOURCES (USES)					
Total Other Financing Sources and Uses					
Net Changes in Fund Balances	(306,577)	(7,638)			(314,215)
Fund Balance — Beginning of Year	1,715,447	(79,059)	62,124		1,698,512
Fund Balance — End of Year	<u>\$ 1,408,870</u>	<u>\$ (86,697)</u>	<u>\$ 62,124</u>	<u>\$ -</u>	<u>\$ 1,384,297</u>

The accompanying Notes to Financial Statements are an integral part of this statement

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

Total Net Change in Fund Balances - Governmental Funds \$ (314,215)

Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are different because:

Capital Outlays are reported in Governmental Funds as Expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as Depreciation Expense. This is the amount by which Capital Outlays exceeded depreciation in the period.

Depreciation Expense	\$	(605,918)	
Capital Outlays		445,402	
			(160,516)

Repayment of Bond Principal is an Expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the statement of Net Position and is not reported in the Statement of Activities.

Bond Principal			845,000
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In the Statement of Activities, interest on long-term debt is accrued, regardless of when it is due.

In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.			8,378
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In the Statement of Activities, Amortization of the Deferred Amount on Debt Refunding is expensed, regardless of when the Debt was Refunded.

			(42,870)
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In the Statement of Activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation.

			4,399
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Change in Net Position of Governmental Activities	\$		340,176

PROPRIETARY FUNDS

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

	Business-type Activities - Enterprise Funds			
	Food Service	Academy Program	Internal Service Fund	Totals
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 2,360	\$	\$	\$ 2,360
Accounts Receivable:				
State	1,973			1,973
Federal	67,661			67,661
Other	662			662
Interfund Accounts Receivable	284,932			284,932
Inventories	16,674			16,674
Total Current Assets	374,262			374,262
Noncurrent Assets:				
Furniture, Machinery & Equipment	678,020	30,118		708,138
Less: Accumulated Depreciation	(584,937)	(19,073)		(604,010)
Total Noncurrent Assets	93,083	11,045		104,128
Total Assets	467,345	11,045		478,390
LIABILITIES				
Current Liabilities:				
Accounts Payable	158			158
Unearned Revenue	4,932			4,932
Total Current Liabilities	5,090			5,090
Noncurrent Liabilities:				
Compensated Absences	12,810			12,810
Total Liabilities	17,900			17,900
NET POSITION				
Invested in Capital Assets Net of Related Debt	93,083	11,045		104,128
Unrestricted	356,362			356,362
Total Net Position	\$ 449,445	\$ 11,045	\$	\$ 460,490

The accompanying Notes to Financial Statements are an integral part of this statement

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Business-Type Activities- Enterprise Fund			Totals
	Food Service	Academy Program	Internal Service Fund	
OPERATING REVENUES:				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$ 114,718	\$	\$	\$ 114,718
Daily Sales - Non-Reimbursable Programs	144,692			144,692
Special Functions	10,021			10,021
Miscellaneous	791			791
Academy Tuition		186,707		186,707
Food Service Director Services			8,800	8,800
Total Operating Revenues	270,222	186,707	8,800	465,729
OPERATING EXPENSES:				
Salaries	532,214	113,716	8,800	654,730
Employee Benefits	58,379			58,379
Purchased Property Services	13,258			13,258
General Supplies	26,729	5,658		32,387
Depreciation	17,255	2,007		19,262
Transportation		48,180		48,180
Tuition		29,520		29,520
Miscellaneous	7,102			7,102
Cost of Sales	497,550			497,550
Total Operating Expenses	1,152,487	199,081	8,800	1,360,368
Operating Income (Loss)	(882,265)	(12,374)	-	(894,639)
NON-OPERATING REVENUES (EXPENSES):				
State Sources:				
State School Lunch Program	15,471			15,471
Federal Sources:				
National School Breakfast Program	134,013			134,013
National School Lunch Program	714,325			714,325
National Snack Program	6,948			6,948
Food Distribution Program	84,896			84,896
Interest and Investment Revenue	98			98
Total Non-Operating Revenues (Expenses)	955,751			955,751
Net Change in Position	73,486	(12,374)		61,112
Net Position — Beginning of Year	375,959	23,419		399,378
Net Position — Ending of Year	\$ 449,445	\$ 11,045	\$ -	\$ 460,490

The accompanying Notes to Financial Statements are an integral part of this statement

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Business-Type Activities - Enterprise Funds			
	Food Service	Academy Program	Internal Service Fund	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$ 270,222	\$ 186,707	\$ 8,800	\$ 456,929
Payments to Employees	(532,214)	(113,716)	(8,800)	(645,930)
Payments for Employee Benefits	(58,379)			(58,379)
Payments to Suppliers	(582,932)	(72,991)		(655,923)
Net Cash Provided by (used for) Operating Activities	(903,303)	-	-	(903,303)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
State Sources	15,471			15,471
Federal Sources	855,286			855,286
Net Cash Provided by (used for) Non-Capital Financing Activities	870,757			870,757
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchases of Capital Assets				
Net Cash Provided by (used for) Capital and Related Financing Activities				
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest Earned on Investments	98			98
Net Cash Provided by (used for) Investing Activities	98			98
Net Increase (Decrease) in Cash and Cash Equivalents	(32,448)			(32,448)
Balances — Beginning of Year	34,808			34,808
Balances — End of Year	\$ 2,360	\$	\$	\$ 2,360
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:				
Operating Income (Loss)	\$ (882,265)	\$ (12,374)	\$	\$ (894,639)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities				
Depreciation	17,255	2,007		19,262
Food Distribution Program	84,896			84,896
(Increase) Decrease in Accounts Receivable	95,960			95,960
(Increase) Decrease in Inventories	1,618			1,618
(Increase) Decrease in Interfund Receivable	(202,150)			(202,150)
(Increase) Decrease in Fixed Assets	(3,800)			(3,800)
Increase (Decrease) in Compensated Absences Payable	2,095			2,095
Increase (Decrease) in Compensated Absences	(16,805)			(16,805)
Increase (Decrease) in Unearned Revenue	(107)			
Total Adjustments	(21,038)	2,007		(2,119)
Net Cash Provided by (used for) Operating Activities	\$ (903,303)	\$	\$	\$ (896,758)

The accompanying Notes to Financial Statements are an integral part of this statement

FIDUCIARY FUNDS

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2014

	<u>Trust Funds</u>		<u>Agency Funds</u>	
	<u>School Uniform Trust</u>	<u>Unemployment Compensation Trust</u>	<u>Student Activity</u>	<u>Payroll</u>
ASSETS				
Cash and Cash Equivalents	\$ 1,324	\$ 235,773	\$ 79,579	\$ 379,809
Total Assets	<u>\$ 1,324</u>	<u>\$ 235,773</u>	<u>\$ 79,579</u>	<u>\$ 379,809</u>
LIABILITIES				
Accounts Payable	\$	\$ 10,479	\$	\$
Payable to Student Groups			79,579	
Payable to General Fund				17,231
Payroll Deductions and Withholdings				329,190
Employee Section 125 Plan				33,388
Interfund Payable				
Total Liabilities	<u></u>	<u>10,479</u>	<u>\$ 79,579</u>	<u>\$ 379,809</u>
NET POSITION:				
Held in Trust for:				
School Uniform Trust	<u>\$ 1,324</u>			
Unemployment Claims and Other Purposes		<u>\$ 225,294</u>		

The accompanying Notes to Financial Statements are an integral part of this Statement

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	<u>School Uniform Trust</u>	<u>Unemployment Compensation Trust</u>	<u>Total</u>
ADDITIONS:			
Contributions:			
Employee Deductions	\$	\$ 38,222	\$ 38,222
Other	2,500		2,500
Total Contributions	2,500	38,222	40,722
Investment Earnings:			
Interest		335	335
Net Investment Earnings		335	335
Total Additions	2,500	38,557	41,057
DEDUCTIONS:			
Uniforms	1,176		1,176
Unemployment Claims		48,397	48,397
Total Deductions	1,176	48,397	49,573
Change in Net Position	1,324	(9,840)	(8,516)
Net Position — Beginning of Year		235,134	235,134
Net Position — End of Year	\$ 1,324	\$ 225,294	\$ 226,618

The accompanying Notes to Financial Statements are an integral part of this statement

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Reporting Entity – The Penns Grove-Carneys Point Regional School District (hereafter referred to as the “School District”) is a Type II district located in the County of Salem, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three members’ terms expire each year. The purpose of the School District is to educate students in grades K-12 at its five schools. The School District has an approximate enrollment at June 30, 2014 of 2,342.

The primary criterion for including activities within the School District’s reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the School Districts. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School District over which the Board exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Component Units – GASB Statement No. 14, *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. The School District has determined that there are no component units as of the year end June 30, 2014.

Basis of Presentation – The financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its business-type activities and enterprise funds, provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District’s accounting policies are described in this note. The School District’s basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements – The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the School District that are governmental and those that are considered business-type activities. The statement of net position presents the financial condition of the governmental and business-type activities of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District’s governmental activities and for the business-type activities of the School District.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Government-wide Financial Statements (Cont'd) – Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements – During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds – Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds.

General Fund – The General Fund is the general operating fund of the School District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment classified in the Capital Outlay sub-fund.

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America, as they pertain to the governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the recourses in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes, and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings and the purchase of built-in equipment.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Government-wide Financial Statements (Cont'd)

Special Revenue Fund – The special revenue fund is used to account for and report the proceeds of special revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital Projects Fund – The capital projects fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey School Development Authority grants, temporary notes, or serial bonds which are specially authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund – The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Proprietary Funds – Proprietary funds are used to account for the School District's ongoing activities, which are similar to those found in the private sector.

Enterprise Funds – The enterprise funds are used to account for operations:

1. That are financed and operated in a manner similar to private business enterprises, where the intent of the School District is that the costs (expenses, including depreciation) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or
2. Where the School District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The School Districts enterprise fund is:

Food Service Fund – This fund accounts for the financial transactions related to the food service operations of the School District.

Academy Program – This fund accounts for the financial transactions related to providing academic and technical needs for high school students

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (Net Position) is segregated into investment in capital assets, net of related debt, and unrestricted Net Position, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Proprietary Funds – (Cont'd)

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	15 Years
Vehicles	4-6 Years

Internal Service Funds – The Internal Service Fund is used by management to charge the necessary expenses to provide consultant services to the Food Services Program for Oldmans Township School District. The assets and liabilities of the combine service funds are included in business-type activities in the Statement of Net Position.

Fiduciary Funds – Fiduciary fund reporting focuses on Net Position and changes in Net Position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Pension trust funds are used to account for resources held in trust for employees and their beneficiaries based on defined benefit pension agreements, defined contribution agreements, other postemployment benefit agreements, and other employee benefit arrangements. Investment trust funds are used to report the external portion of an investment pool as defined in GASB Statement No. 31, Accounting and Financial Reporting for Certain External Investment Pools. Private-purpose trust funds are used to account for the principal and income for all other trust arrangements that benefit individuals, private organizations, or other governments. Agency funds are used to account for assets held by the School District in a trust capacity or as an agent for individuals, private organizations, other governments, and/or other funds (i.e., payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The School District has four fiduciary funds; an unemployment trust fund, a uniform fund, a student activity fund, and payroll fund.

Measurement Focus - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net position. For the fund financial statements, all government funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet.

The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing sources) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliation, with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Basis of Accounting - Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting.

For fund financial statements, all governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds, like the government-wide financial statements, use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue and the presentation of expenses verse expenditures.

Recognition of Revenue - Revenue resulting from exchange transactions, which are defined as transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. For the governmental fund financial statements, which are prepared on the modified accrual basis, however, such revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days after fiscal year end. Revenue resulting from non-exchange transactions, which are defined as transactions in which the School District receives value without directly giving equal value in return, includes Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (property) taxes are susceptible to accrual. As under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the state of the fiscal year since the revenue is both measurable and available.

The School District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of the restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used for the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. Restricted formula aids, which include *Preschool Education Aid*, are recorded in the special revenue fund in accordance with *The Audit Program* promulgated by the New Jersey Department of Education, which requires that these grants be realized in an amount equal to program expenditures.

Under the modified accrual basis the following revenue sources are considered to be both measurable and available at fiscal year end: tuition, grants, fees, and rentals.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year is reported in the operating statement as an expense. Unused donated commodities are reported as Unearned Revenue. The measurement focus of governmental fund financial statements is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measureable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Budgets/Budgetary Control – Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue and debt service funds and are submitted to the county office. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C.6A:23A-13.3.

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and the special revenue fund. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the budgetary basis. The budgetary basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The budget, as detailed on Exhibit C-1, Exhibit C-2, and I-3 includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in the fund balances – Governmental Funds. Note that the School District does not report encumbrances outstanding at fiscal year end as expenditures in the general fund since the general fund budget follows modified accrual basis of accounting, with the exception of the revenue recognition policy for the one or more June state aid payments.

Encumbrances – Under encumbrances accounting, purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Encumbrances are a component of fund balance at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected in the balance sheet as Unearned Revenues at fiscal year end.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Budgets/Budgetary Control (Cont'd) -

Encumbrances (Cont'd) – The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

Cash, Cash Equivalents and Investments – Cash and cash equivalents, for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

N.J.S.A. 17:9-41 et. seq. establishes requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in the 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

Tuition Receivable – Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

Tuition Payable – Tuition charges for the fiscal years ended June 30, 2014 and 2013 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Inventories – Inventories are value at cost, which approximates market. The costs are determined on a first-in, first-out method. The cost of inventories in the governmental fund financial statements is recorded as expenditures when consumed rather than when purchased.

Inventories recorded on the government-wide financial statements and in the proprietary fund types are recorded as expenditures when consumed rather than when purchased.

Prepaid Expenses – Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2014.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Prepaid Expenses (Cont'd) – In the governmental fund financial statements, however, payments for prepaid items are fully recognized as an expenditure in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

Deferred Expenditures – Deferred expenditures are disbursements that are made in one period, but are more accurately reflected as an expenditure/expense in the next fiscal period. Unlike prepaid expenses, deferred expenditures are not regularly recurring costs of operations.

Short-Term Interfund Receivables/Payables – Short-Term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the School District and that are due within one year. These amounts are eliminated in the governmental-wide financial statements, except for the net residual amounts due between governmental and business-type activities, which are presented as interfunds receivable and/or interfunds payable on the statement of net position.

Capital Assets – General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the governmental fund financial statements. Capital assets utilized by the proprietary funds, however, are reported in the business-type activities column of the government-wide statement of net position and the proprietary fund statement of net position. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The School District maintains a capitalization threshold of \$2,000.00. The School District does not possess any infrastructure.

Capital Assets (Cont'd) - Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets, except land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land Improvements	10-20 Years	N/A
Buildings and Improvements	10-50 Years	N/A
Furniture and Equipment	5-20 Years	15 Years
Vehicles	5-10 Years	4-6 Years

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Compensated Absences – Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place. The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In the proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

Unearned Revenue – Unearned Revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Accrued Liabilities and Long-Term Obligations – All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the fund financial statements when due.

Interfund Activity – Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Net Position – Net Position represents the difference between assets and liabilities. Net Position invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net Position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. It is the School District's policy to apply restricted resources when an expense is incurred for purposes for which both are restricted and unrestricted Net Position is available.

Fund Balances – The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the school District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fund Balances (Cont'd)

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted – The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed – The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

Assigned – The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position, approved by the Board of Education.

Unassigned – The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the governmental fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditure is incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, and then unassigned.

Operating and Non-Operating Revenues and Expenses – Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for the food service program. Non-operating revenues principally consist of federal and state grant funding and interest income earned on various interest-bearing accounts. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

New Accounting Standards

During fiscal year 2013, the district adopted the following GASB statements:

- GASB 62, *Codification of Accounting and Financial reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements.
- GASB 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The objective of this Statement is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effect in a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed.
- GASB 65, *Items Previously reported as Assets and Liabilities*, although not required to be implemented until next year, the District elected to apply the statement to the current year financial statements. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items were previously reported as assets and liabilities and recognize, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB 66, *Technical Corrections-2012, an Amendment of GASB Statements 10 and 62*, will be effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions and No. 62, Codification of Accounting and Financial reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.
- GASB 67, *Financial Reporting for Pension Plans, an Amendment of GASB 25*, will be effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision- useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This statement replaces the requirements of Statement No. 25, *Financial reporting for Deferred Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and No.50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. The District does not expect this Statement to impact its financial statements.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

New Accounting Standards (Cont'd)

- GASB 68, *Accounting and Financial reporting for Pensions*, will be effective beginning with the year ending June 30, 2015. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other state entities. This Statement replaces the requirements of Statement No.27, *Accounting for Pension Disclosures*, and Local Governmental Employers, as well as the requirements of Statement No.50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The District does not expect this Statement to impact its financial statements.
- GASB 69, *Government Combinations and disposals of Government Operations*, is effective for periods beginning after December 15, 2013. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements although no impact is expected.
- GASB 70, *Accounting and Financial Reporting for Non-exchange Financial Guarantees*, is effective for periods beginning after June 15, 2013. This Statement's objective is to improve accounting and financial reporting by state and local governments that extend and receive non-exchange financial guarantees. This Statement requires a government that extends a non-exchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee.

The amount of the liability to be recognized should be the discounted present value of the best estimate for the future outflows expected to be incurred as a result of the guarantee. When there is no best estimate but a range of the estimated future outflows can be established, the amount of the liability to be recognized should be the discounted present value of the minimum amount within the range. This Statement requires a government that has issued an obligation guaranteed in a non-exchange transaction to report the obligation until legally released as an obligor. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When a government is released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity non-exchange financial guarantees involving blended component units. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements although no impact is expected.

Bond and Lease Acquisition Costs

As part of any long-term bond or lease agreement, providing for the use of school buildings, payments constituting professional lease acquisition and other related professional fees will be expensed when incurred in accordance with GASB Statement No. 65. The prior year amount of unamortized debt issue cost has been restated, in accordance with GASB Statement No. 65. There were no such leases for the year ended June 30, 2014.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits – Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, athletic and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized in the schedule below.

As of June 30, 2014, the School District's bank balances of \$1,633,876 were exposed to custodial credit risk as follows

Uninsured and uncollateralized	\$ 1,216,666
Collateralized by securities held by the Pledging financial institutions	<u>417,210</u>
Total	<u>\$ 1,633,876</u>

NOTE 3. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District inclusion of \$100.00 on October 2, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the amount cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2013 to June 30, 2014 fiscal year is as follows:

Beginning Balance July 1, 2013	\$ 650,180
Increased by: Contribution	500,000
Interest Income	3,251
Decreased by: Transfer to the Capital Projects Fund	<u>(0)</u>
Ending balance June 30, 2014	<u>\$1,153,431</u>

The withdraws from the capital reserve were for use in a DOE approved facilities project, consistent with the School District's LRFP.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 4. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2014 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds.

Accounts receivable as of fiscal year-end for the School District's individual major and fiduciary funds, in the aggregate are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Proprietary Funds</u>
Receivables:			
Intergovernmental	\$771,542	\$457,742	\$69,634
Other	<u> </u>	<u> </u>	<u>662</u>
Intergovernmental	<u>\$771,542</u>	<u>\$457,742</u>	<u>\$70,296</u>

NOTE 5. INVENTORY

Inventory in the Food Service Fund at June 30, 2014 consisted of the following:

Food	\$ 13,407
Supplies	<u>3,267</u>
	<u>\$ 16,674</u>

At June 30, 2014, there was an ending inventory of \$16,674 in the Food Service Fund, of which \$4,932 was federal commodities.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2014 was as follows:

	<u>Balance 7/1/2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 6/30/2014</u>
Governmental Activities:				
Capital Assets That Are Not Being Depreciated:				
Land	\$ 1,280,600	\$	\$	\$ 1,280,600
Construction in Progress				
Total Capital Assets Not Being Depreciated	<u>1,280,600</u>			<u>1,280,600</u>
Land improvements	1,388,813			1,388,813
Building and building improvements	27,986,365	427,452		28,413,817
Furniture and equipment	2,569,039	17,950		2,586,989
Totals Capital Assets Being Depreciated	<u>31,944,217</u>	<u>445,402</u>		<u>32,389,619</u>
Less accumulated depreciation:				
Land improvements	(1,367,461)	(2,841)		(1,370,302)
Building and improvements	(11,145,567)	(568,961)		(11,714,528)
Equipment	(2,395,502)	(34,116)		(2,429,618)
Total Accumulated Depreciation	<u>(14,908,530)</u>	<u>(605,918)</u>		<u>(15,514,448)</u>
Government Activities Capital Assets, Net	<u>\$ 18,316,287</u>	<u>\$ (160,516)</u>	<u>\$</u>	<u>\$ 18,155,771</u>
	To A-1			To A-1
Business-type Activities:				
Equipment	\$ 704,338	\$ 3,800	\$	\$ 708,138
Less: Accumulated Depreciation	(584,748)	(19,262)		(604,010)
Business-type Activities Capital Assets, Net	<u>\$ 119,590</u>	<u>\$ (15,462)</u>	<u>\$</u>	<u>\$ 104,128</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 303,491
Administrative Support	57,223
Business Services	15,285
Operations/Maintenance	229,919
Total Depreciation Expense	<u>\$ 605,918</u>

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 7. LONG TERM OBLIGATIONS

During the fiscal year ended June 30, 2014 the following changes occurred in long-term obligations:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2014</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 5,640,000	\$	\$ (845,000)	\$ 4,795,000	\$ 875,000
Compensated Absences	1,009,454	83,762	(88,161)	1,005,055	32,000
Governmental Activity Long Term Liability	<u>6,649,454</u>	<u></u>	<u>(933,161)</u>	<u>5,800,055</u>	<u>907,000</u>
Business-Type Activities					
Compensated Absences Payable	\$ 27,520	\$	\$ (14,710)	\$ 12,810	\$

Bonds Payable – Bonds and loans are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the school District are general obligation bonds.

On April 7, 2003, the School District issued \$4,465,000.00 general obligation bonds at interest rates varying from 2.00% to 3.40% for various construction and renovation projects. The final maturity of these bonds is December 15, 2015. Annual payments regarding bonds payable will be funded by the combination of both property taxes and state aid.

On February 22, 2005 the School District issued \$7,785,000.00 refunding school bonds at interest rates varying from 3.00% to 4.00% to extinguish previous bonds issued and outstanding dated March 1, 2000 in the amount of \$7,020,000.00. The final maturity of the refunding bonds is March 1, 2020. Annual payments regarding bonds payable will be funded by the combination of both property taxes and state aid. As of June 30, 2014, the District is in the process of pursuing the refunding of the remaining callable portion of this bond issue, in the amount of \$3,720,000.

Principal and interest due on bonds outstanding is as following:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 875,000	\$ 180,565	\$ 1,055,565
2016	905,000	148,588	1,053,588
2017	720,000	118,955	838,955
2018	745,000	91,055	836,055
2019	770,000	62,000	832,000
2020	780,000	31,200	811,200
	<u>\$ 4,795,000</u>	<u>\$ 632,363</u>	<u>\$ 5,427,363</u>

Bonds Authorized But Not Issued – As of June 30, 2014, the School District had no authorized but not issued bonds. There is, however, a bond referendum scheduled for November 4, 2014, in the amount of \$6,000,000.

Compensated Absences – Compensated absences will be paid from the fund from which the employees' salaries are paid.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 8. OPERATING LEASES

At June 30, 2014, the School District had operating lease agreements in effect for copiers and mail machines. The future minimum rental payments under operating lease agreements are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>
2015	\$ 154,658.00
2016	99,297.00
	<u>\$ 253,955.00</u>

Rental payments under operating leases for the fiscal year ended June 30, 2014 were \$162,350.

NOTE 9. PENSION PLANS

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund and the Public Employees' Retirement System, which are administered by the New Jersey Division of Pensions Benefits.

In addition, several School District employees participate in the defined Contribution Retirement Program, which is a defined contribution pension plan. This too is administered by the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pension and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295

Significant Legislation – P.L. 2011, c.78, effective June 28, 2011, made various changes to the manner in which TPAF and PERS operate and to the benefit provisions of those systems.

The legislation's provisions impacting employee pension and health benefits include:

- For new members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased from 25 to 30 years and the early retirement age increased from 55 to 65.
- The eligibility age to qualify for a service retirement in the TPAF and PERS increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PERS members enrolled after June 28, 2011 (Tier 3 members) decreased from 65 percent of final compensation to 60 percent of final compensation after 25 years of service and from 70 percent of final compensation to 65 percent of final compensation after 30 or more years of service.
- It increased the TPAF and PERS active member rates from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years for members hired or reappointed on or after June 28, 2011. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for TPAF and PERS members takes place in July of each subsequent fiscal year.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 9. PENSION PLANS (CONT'D)

Significant Legislation (cont'd)

- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries was suspended. COLA increases may be reactivated at a future date as permitted by this law.
- It changed the method for amortizing the pension system's unfunded accrued liability (from a level percent of pay method to a level dollar of pay method).

Teachers' Pension and Annuity Fund – The Teachers' Pension and Annuity Fund (TPAF) is a cost-sharing contributing defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death, disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66.

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114 and 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter, 103 P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist. Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the district has been required over several preceding fiscal years.

Public Employees' Retirement System – The Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955. The PERS provides retirement, death, disability and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62 P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2008, the increase was effective with the payroll period that began immediately after July 1, 2008. Pursuant to the provisions of Chapter 78 P.L. 2011 the active member contribution rate will be increased to 6.5% plus an additional 1.0% phased-in over seven years beginning in the first year. The phase-in of the additional incremental member contribution amount will take place in July of each subsequent year.

The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 9. PENSION PLANS (CONT'D)

Public Employees' Retirement System (cont'd) – The School District is billed annually for its normal contribution plus any accrued liability. The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Non-Contributory Group Life Insurance</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Paid by District</u>
2014	\$ 82,694	\$ 7,590	\$ 363,573	\$ 453,857	\$ 453,857
2013	129,786	26,194	310,321	466,301	466,301
2012	150,877	28,838	301,754	481,469	481,469

Defined Contribution Retirement Programs – The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Division of Pension and Benefits for Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

The School District contributes to the program each fiscal year.

NOTE 10. POST RETIREMENT BENEFITS

P.L. 1987, c.884 of P.L. 1990 c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post employment medical benefits through the TPSF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2013, there were 100,134 retirees receiving post-retirement medical benefits and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 c 62. Funding of post retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The state paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in Fiscal Year 2013.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 11. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2014, the School District has recognized as revenues and expenditures on-behalf payments made by the State of New Jersey of \$695,980 for TPAF normal costs, \$1,141,146 for TPAF post-retirement costs and \$1,178,756 for reimbursed TPAF Social Security costs.

NOTE 12. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance – The School District maintains commercial insurance coverage for property, liability, and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance – The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the School District is required to reimburse the New Jersey Unemployment Trust fund for benefits paid to its former employees and charged to its account with the State. The School District is billed quarterly for amounts due to the State.

The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District’s expendable trust fund for the current and previous two fiscal years:

<u>Fiscal Year Ended June 30</u>	<u>Interest</u>	<u>School District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014	\$ 335	\$	\$ 38,222	\$ 48,397	\$ 225,294
2013	466		47,071	49,595	235,134
2012			41,727	78,497	237,192

Joint Insurance Pool – The School District is a member of the Gloucester, Cumberland, Salem School Districts Joint Insurance Fund. The Fund provides the School District with the following coverage:

Property (Including Inland Marine and Automobile Physical Damage)
Boiler and Machinery
Crime
General and Automotive Liability
Workers’ Compensation
Educator’s Legal Liability
Pollution Legal Liability

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund’s actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund’s claim, loss retention, or administrative accounts to assure the payment of the Fund’s obligations. As a participant in the Tri-County JIF, the reflective share of the combined fund balance or deficit is reported to the District each year, of which this amount is not reported in the Financial Statements of the District.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 13. DEFERRED COMPENSATION

The School District offers a choice of deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the employer, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency.

The below 403(b) service providers have been authorized by the School District:

Ameriprise Financial Services, Inc.
AXA Equitable Life Insurance Company
Fidelity Investments
ING Life Insurance and Annuity Company
Lincoln Investment Planning, Inc.
MetLife

NOTE 14. COMPENSATED ABSENCES

The School District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

All School District employees are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. All School District employees except non-instructional aides are entitled to three personal days which may be carried forward and accumulated to be paid at retirement. Vacation days not used during the year may not be accumulated and carried forward.

Benefits paid in any future year will be calculated according to formulas outlined in the School District's agreements with the various employee unions and included in the current years' budget.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2014, the liability for compensated absences in the governmental and proprietary fund types was \$1,005,055 and \$12,810, respectively.

NOTE 15. ARBITRAGE REBATE

The Tax Reform Act of 1986 placed restriction on investments of the proceeds of certain tax-exempt bonds issued after December 31, 1986. Specifically, investment earnings which are above arbitrage bond yield are required to be rebated to the United States Treasury Department within sixty days of the end of the fifth bond year. A bond year is defined as ending on the anniversary date of bond settlement.

The School District issued refunded bonds on February 22, 2005. Such bonds were dated March 22, 2005. The first required computation date of rebatable arbitrage in respect to the bonds is May 31, 2008 (the final maturity of the bonds) or earlier, the redemption date of the last outstanding bond. The School District also issued refunding bonds on February 22, 2005. Such bonds were dated March 22, 2005. The first required computation date of rebatable arbitrage in respect to the bonds is February 28, 2010 (the final maturity bonds) or if earlier, the redemption date of the last outstanding bond.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 16. INTERFUND RECEIVABLES AND PAYABLES

Interfund balances are generated as a result of advances or deposits of one fund are made by and received by another fund. The following interfund balances were recorded on the various balance sheets as of June 30, 2014.

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 417,373	\$ 348,047
Special Revenue		400,142
Capital Projects	62,038	
Proprietary	284,932	
Fiduciary	1,077	17,231
	<u>\$ 765,420</u>	<u>\$ 765,420</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2014, the District expects to liquidate such interfunds, depending upon the availability of cash flow.

NOTE 17. DEFICIT FUND BALANCES

The School District has a deficit of \$1,284,628 in the general fund and a deficit of \$86,697 in the special revenue fund, as of June 30, 2014 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payment as revenue for budget purposes only in the current school budget year. The statute provides legal authority for school districts to recognize the revenue in a current school budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other governmental recognizes a liability. Since the State is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the State records the payment. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District's general fund deficit is less than the June state aid payments received in July, 2014 and the School District's special revenue fund deficit in the GAAP funds statements of \$86,697 is the same as the June state aid payments received in July, 2014.

NOTE 18. FUND BALANCES

NONSPENDABLE

As stated in Note 1, the nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. There are no nonspendable fund balances of the School District, as of June 30, 2014.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 18. FUND BALANCES (CONT'D)

RESTRICTED

As stated in Note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund –

For Excess Surplus – In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance – excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budget fund balance in their subsequent years' budget. The excess fund balance at June 30, 2014 is \$388,311, which was restricted and designated for utilization in the 2015-16 budget.

For Capital Reserve Account – As of June 30, 2014, the balance in the capital reserve account is \$1,153,431. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP). The maximum amount of Capital Reserve is \$25,757,944.

For Maintenance Reserve Account – As of June 30, 2014, the balance in the maintenance reserve account is \$67,975. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A 18:7G-9) as amended by P.L. 2004, c. 73 (S1710). The maximum allowable reserve balance is \$2,445,906.

Capital Projects Fund – As of June 30, 2014, the restricted fund balance amount was \$62,124. Budgets of district projects are approved and funded in part by the School Development Authority. The balance in the fund represents the unspent proceeds of \$8,000 from serial bonds and \$54,124 from the Capital Reserve in the General Fund. The respective grant portion was closed out in the 2012-13 school-year.

Debt Service Fund – In accordance with N.J.S.A. 18A:7F-41(c) (2), the School District has established a debt service reserve, the amount of which is \$0 as of June 30, 2014.

ASSIGNED

As stated in Note 1, the assigned fund balance classification includes amounts that are constrained by the School District's intent to be used for specific purposes but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

General Fund –

For Subsequent Year's Expenditures – The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2014 \$550,000

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 18. FUND BALANCES (CONT'D)

Other Purposes - Committed As of June 30, 2014, the School District had \$533,781 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

UNASSIGNED

As stated in Note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

General Fund – As of June 30, 2014, the fund balance of the general fund was \$1,408,870, which includes an unassigned deficit of \$1,284,628. There was the result of the delay in the payment of state aid of \$1,960,542 until the following fiscal year. As stated in Note 17, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid in the payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general fund balance does not alone indicate that the School District is facing financial difficulties.

Special Revenue Fund – As of June 30, 2014, the fund balance of the special revenue fund was a deficit of \$86,697, thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in Note 17, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$86,697 is the same as the last state aid payment.

NOTE 19: LITIGATION

The School District is a defendant in two legal proceedings that are currently awaiting a court hearing. The Board's insurance carrier is defending both claims. In addition, the Board has also received three Notice of Tort Claims that the outcome, or exposure to the Board, is either unknown or potential losses, if any, would not be material to the financial statements.

NOTE 20. AMORTIZATION OF DEBT REFUNDING COST

The School District has elected to implement GASB Statement No. 65 during the year under audit and as a result, has reflected the Bond Debt Refunding Cost as a Deferred Outflow of Resources on the Statement of Net Position, net of the portion amortized, as a component of interest expense over the life of the debt. During the 2013-14 School Year, \$42,810 of Debt Refunding Costs was amortized, resulting in a balance in Deferred Outflows of Resources of \$136,281, as of June 30, 2014.

NOTE 21 . FEMA Community Disaster Loan (CDL)

General Fund [Exhibits A-1, A-2, B-1, B-2, C-1] - The school district did not apply for and did not receive a CDL due to Superstorm Sandy in October 2012.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 22. Community Development Block Grant (CDBG)

General Fund [Exhibits A-1, A-2, B-1, B-2, C-1 and C-1/b] - The school district did not receive a CDBG for the school year 2013-2014.

NOTE 23. SUBSEQUENT EVENTS

As of June 30, 2014, the School District has authorized a bond referendum for capital improvements scheduled for November 4, 2014, in the amount of \$6,000,000.

As of June 30, 2014, the District is in the process of refunding the remaining callable portion of the February 22, 2005 bond issue, in the amount of \$3,720,000.

End of Notes to Financial Statements

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Modifications	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 10,368,642	\$	\$ 10,368,642	\$ 10,368,642	\$
Tuition - Summer School	900		900	4,800	3,900
Tuition from LEAS within the State	1,025,000		1,025,000	1,149,130	124,130
Transportation Fees from Other LEAS	11,000		11,000	16,692	5,692
Interest on Investments	8,005		8,005	1,854	(6,151)
Interest on Investments - Capital Reserve				3,251	3,251
Miscellaneous	41,500		41,500	87,806	46,306
Total - Local Sources	11,455,047		11,455,047	11,632,175	177,128
State Sources:					
Categorical Special Education	1,172,562		1,172,562	1,172,562	
Equalization Aid	19,728,590		19,728,590	19,728,590	
Categorical Security Aid	281,855		281,855	281,855	
Categorical Transportation Aid	103,538		103,538	103,538	
Extraordinary Aid	250,750		250,750	108,669	(142,081)
Reimbursement of Nonpublic School Transportation Costs				6,034	6,034
TPAF Post Retirement-Medical (On-Behalf - Non-Budgeted)				1,141,146	1,141,146
TPAF Pension & Annuity Fund (On-Behalf - Non-Budgeted)				695,980	695,980
Reimbursed TPAF Social Security (Non-Budgeted)				1,178,756	1,178,756
Total - State Sources	21,537,295		21,537,295	24,417,130	2,879,835
Federal Sources:					
Medical Assistance Program	85,035		85,035	91,891	6,856
Total - Federal Sources	85,035		85,035	91,891	6,856
Total Revenues	33,077,377		33,077,377	36,141,196	3,063,819
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers					
Kindergarten	602,546	114,422	716,968	691,926	25,042
Grades 1-5	2,995,206	(210,000)	2,785,206	2,752,898	32,308
Grades 6-8	2,106,685		2,106,685	2,031,130	75,555
Grades 9-12	2,709,277	(5,026)	2,704,251	2,499,988	204,263
Regular Programs - Home Instruction:					
Salaries of Teachers	60,000	6,593	66,593	66,593	
Purchased Professional - Educational Services	20,000	47,624	67,624	65,352	2,272
Other Purchased Services (400-500 series)	1,500	2,134	3,634	3,633	1
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	121,216	(4,995)	116,221	116,221	
Purchased Professional - Educational Services	475,509	16,887	492,396	488,851	3,545
Other Purchased Services (400-500 Series)	198,120	(71,012)	127,108	121,375	5,733
General Supplies	378,434	96,544	474,978	361,114	113,864
Textbooks	62,974	287,821	350,795	326,085	24,710
Other Objects	6,700	716	7,416	6,240	1,176
Total Regular Programs	9,738,167	281,708	10,019,875	9,531,406	488,469
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	698,769	228,140	926,909	926,509	400
Other Salaries for Instruction	97,530	112,718	210,248	210,248	
General Supplies	5,000		5,000	3,386	1,614
Total Learning and/or Language Disabilities	801,299	340,858	1,142,157	1,140,143	2,014

See Management's Discussion and analysis section of this report for explanation of significant budget variances, original and final

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

EXPENDITURES (CONT'D)	Original Budget	Budget Modifications	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
Multiple Disabilities:					
Salaries of Teachers	\$ 659,169	\$ (220,117)	\$ 439,052	\$ 416,258	\$ 22,794
Other Salaries for Instruction	372,754	(142,054)	230,700	224,819	5,881
Purchased Professional Educational Services	5,000	740	5,740	5,740	
General Supplies	13,150	(740)	12,410	8,253	4,157
Total Multiple Disabilities	1,050,073	(362,171)	687,902	655,070	32,832
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	1,385,515	44,400	1,429,915	1,417,907	12,008
Other Salaries for Instruction	76,467	3,038	79,505	77,917	1,588
General Supplies	31,102	(50)	31,052	15,039	16,013
Textbooks	1,500		1,500	691	809
Total Resource Room/Resource Center	1,494,584	47,388	1,541,972	1,511,554	30,418
Special Education - Instruction:					
Preschool Disabilities - Part-Time:					
Salaries of Teachers	146,145	965	147,110	145,240	1,870
Other Salaries for Instruction	59,950	245	60,195	60,195	
General Supplies	1,050	(50)	1,000	949	51
Total Preschool Disabilities - Instruction - Part -Time	207,145	1,160	208,305	206,384	1,921
Home Instruction:					
Purchased Professional-Educational Services		7,316	7,316	7,316	
Total Home Instruction		7,316	7,316	7,316	
TOTAL SPECIAL EDUCATION - INSTRUCTION	3,553,101	34,551	3,587,652	3,520,467	67,185
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	528,760	(110,905)	417,855	402,924	14,931
Other Salaries for Instruction	23,392	8,844	32,236	29,359	2,877
Total Basic Skills / Remedial - Instruction	552,152	(102,061)	450,091	432,283	17,808
Bilingual Education - Instruction					
Salaries of Teachers	623,544	(69,000)	554,544	539,466	15,078
Other Salaries for Instruction	132,873	23,000	155,873	141,314	14,559
Purchased Professional - Educational Services	3,000		3,000	1,655	1,345
Total Bilingual Education - Instruction	759,417	(46,000)	713,417	682,435	30,982
School Sponsored Co-curricular Activities - Instruction					
Salaries	64,500	10,444	74,944	74,944	
Supplies and Materials	7,800	(3,059)	4,741	3,091	1,650
Other Objects	8,000	2,059	10,059	10,058	1
Total School Sponsored Co-curricular Activities - Instruction	80,300	9,444	89,744	88,093	1,651
School Sponsored Athletics - Instruction					
Salaries	180,069	(2,354)	177,715	177,714	1
Purchased Services (300-500 Series)	74,000	4,825	78,825	74,953	3,872
Supplies and Materials	35,500	(243)	35,257	35,256	1
Other Objects	16,000		16,000	16,000	
Total School Sponsored Athletics - Instruction	305,569	2,228	307,797	303,923	3,874
Summer School - Instruction					
Salaries of Teachers	15,232		15,232	14,443	789
Purchased Professional & Technical Services	12,000		12,000		12,000
Total Summer School - Instruction	27,232		27,232	14,443	12,789
Total Instruction	15,015,938	179,870	15,195,808	14,573,050	622,758

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual (GAAP Basis)</u>	<u>Variance Positive (Negative) Final to Actual</u>
Current Expense (Cont'd)					
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	\$ 52,000	\$ 47,365	\$ 99,365	\$ 44,669	\$ 54,696
Tuition to Other LEAs Within the State - Special	118,622	59,980	178,602	138,434	40,168
Tuition to County Voc School Dist - Regular	106,500	41,039	147,539	147,539	
Tuition to CSSD & Regional Day Schools	963,631	170,296	1,133,927	1,075,312	58,615
Tuition to Private Schools for the Disabled - Within State	396,363	(43,858)	352,505	352,505	
Tuition to Priv Schools for the Disabled & Oth LEAs-Spl, O/S St	133,922	8,970	142,892	142,892	
Tuition - State Facilities	124,741		124,741	124,741	
Total Undistributed Expenditures - Instruction	1,895,779	283,792	2,179,571	2,026,092	153,479
Undistributed Expenditures - Attendance & Social Work:					
Salaries	48,269	49	48,318	48,317	1
Total Undistributed Expend. - Attend. & Social Work	48,269	49	48,318	48,317	1
Undistributed Expenditures - Health Services					
Salaries	275,000	15,564	290,564	290,564	
Purchased Professional and Technical Services	159,320	(20,225)	139,095	134,054	5,041
Other Purchased Services (400-500 series)	1,000	(1,000)			
Supplies and Materials	9,697	(4,038)	5,659	5,657	2
Total Undistributed Expenditures - Health Services	445,017	(9,699)	435,318	430,275	5,043
Undistributed Expenditures - Speech, OT, PT & Related Services:					
Salaries	119,804	(1,835)	117,969	117,670	299
Purchased Professional - Educational Services	10,900	(2,582)	8,318	7,410	908
Supplies and Materials	100	(100)			
Total Undistributed Expenditures - Speech, OT, PT & Related Services	130,804	(4,517)	126,287	125,080	1,207
Undistributed Expenditures - Guidance					
Salaries of Other Professional Staff	555,364	(628)	554,736	535,140	19,596
Salaries of Secretarial and Clerical Assistants	100,711	(49)	100,662	88,994	11,668
Purchased Professional - Educational Services	4,750	(838)	3,912		3,912
Other Purchased Professional and Technical Services	29,200	838	30,038	30,037	1
Supplies and Materials	5,412	12,598	18,010	16,559	1,451
Total Undistributed Expenditures - Guidance	695,437	11,921	707,358	670,730	36,628
Undistributed Expenditures - Child Study Teams					
Salaries of Other Professional Staff	465,384	(34,080)	431,304	402,461	28,843
Salaries of Secretarial and Clerical Assistants	45,990	1,626	47,616	47,365	251
Purchased Professional- Educational Services	58,000	(32,000)	26,000	13,447	12,553
Other Purchased Professional and Technical Services	82,000	20,000	102,000	95,310	6,690
Misc Purchased Services (400-500 Series Other than Resid Costs)	3,000		3,000	248	2,752
Supplies and Materials	18,000		18,000	5,444	12,556
Other Objects	5,000	1,133	6,133	5,682	451
Total Undistributed Expenditures - Child Study Team	677,374	(43,321)	634,053	569,957	64,096
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisor of Instruction	249,641	4,132	253,773	251,529	2,244
Salaries of Other Professional Staff	36,988	(6,132)	30,856	16,209	14,647
Salaries of Secretarial and Clerical Assistants	54,144	12,000	66,144	61,841	4,303
Supplies and Materials	7,000	(129)	6,871	5,544	1,327
Other Objects	2,000	129	2,129	2,129	
Total Undistributed Expenditures - Improvement of Instruction Serv.	349,773	10,000	359,773	337,252	22,521

See Management's Discussion and analysis section of this report for explanation of significant budget variances, original and final

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Modifications	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
Current Expense (Cont'd)					
Undistributed Expenditures - Educational Media Services/ School Library:					
Salaries	\$ 300,160	\$ (300)	\$ 299,860	\$ 293,786	\$ 6,074
Salaries of Technology Coordinators	76,150	300	76,450	74,455	1,995
Purchased Professional and Technical Services	4,388	(2,001)	2,387	1,273	1,114
Other Purchased Services (400-500 series)	14,800	(110)	14,690	8,550	6,140
Supplies and Materials	24,438	3,512	27,950	22,116	5,834
Total Undistributed Expenditures - Educational Media Services/ School Library:	419,936	1,401	421,337	400,180	21,157
Undistributed Expenditures - Instructional Staff Training Services					
Purchased Professional - Educational Services	14,250	2,000	16,250	16,125	125
Other Purchased Services (400-500 series)	143,000	(2,000)	141,000	36,309	104,691
Total Undistributed Expenditures - Instructional Staff Training Serv:	157,250		157,250	52,434	104,816
Undistributed Expenditures - Support Services - General Administration:					
Salaries	209,702	(64,606)	145,096	136,145	8,951
Legal Services	57,500	37,935	95,435	87,496	7,939
Audit Fees	29,000	(4,000)	25,000	24,900	100
Architectural/Engineering Services	36,000	46,800	82,800	49,346	33,454
Other Purchased Professional Services	20,000	3,830	23,830	20,347	3,483
Purchased Technical Services	1,500	585	2,085	2,085	-
Communications/Telephone	73,350	12,585	85,935	78,386	7,549
BOE Other Purchased Services	11,250	8,262	19,512	19,512	-
Other Purchased Services	360,377	(1,369)	359,008	341,191	17,817
General Supplies	15,000	(5,967)	9,033	7,211	1,822
Miscellaneous Expenditures	1,000		1,000	736	264
BOE Membership Dues and Fees	13,750		13,750	13,690	60
Total Undistributed Expenditures - Support Services - General Administration	828,429	34,055	862,484	781,045	81,439
Undistributed Expenditures - Support Service - School Administration:					
Salaries of Principals/Assistant Principals	956,538	(12,585)	943,953	936,328	7,625
Salaries of Other Professional Staff	100,000	(24,979)	75,021	70,854	4,167
Salaries of Secretarial and Clerical Assistants	480,673	4,289	484,962	474,062	10,900
Purchased Professional and Technical Services		11,475	11,475	11,475	-
Other Purchased Services (400-500 Series)	3,500	(100)	3,400	268	3,132
Supplies and Materials	50,043	3,546	53,589	33,167	20,422
Other Objects	4,000	307	4,307	4,201	106
Total Undistributed Expenditures - Support Services - School Administration	1,594,754	(18,047)	1,576,707	1,530,355	46,352
Undistributed Expenditures - Central Services					
Salaries	340,836	5,244	346,080	346,046	34
Purchased Technical Services	44,546	(4,832)	39,714	32,233	7,481
Supplies and Materials	5,000	(420)	4,580	4,495	85
Other Objects	2,000	1,130	3,130	2,622	508
Total Undistributed Expenditures - Central Services	392,382	1,122	393,504	385,396	8,108
Undistributed Expenditures - Administrative Information Technology					
Salaries	178,768		178,768	170,359	8,409
Purchased Professional Services	500		500		500
Total Undistributed Expenditures - Administrative Information Tech.	179,268		179,268	170,359	8,909
Undistributed Expenditures - Req. Maint. for School Facilities					
Cleaning, Repair, and Maintenance Services	210,000	51,507	261,507	233,646	27,861
General Supplies	130,500	(34,191)	96,309	91,819	4,490
Total Undistributed Expenditures - Required Maintenance for School Facilities	340,500	17,316	357,816	325,465	32,351

See Management's Discussion and analysis section of this report for explanation of significant budget variances, original and final

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Original Budget	Budget Modifications	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
Current Expense (Cont'd)					
Undistributed Expenditures - Custodial Services:					
Salaries	\$ 1,417,442	\$ (62,210)	\$ 1,355,232	\$ 1,341,802	\$ 13,430
Salaries of Non-Instructional Aides	193,635	26,116	219,751	219,751	
Purchased Professional and Technical Services	1,500		1,500	50	1,450
Cleaning, Repair and Maintenance Services	9,500		9,500	8,791	709
Other Purchased Property Services	104,700	(12,443)	92,257	84,673	7,584
Insurance	108,192	5,742	113,934	113,934	
General Supplies	132,900	1,965	134,865	104,671	30,194
Energy (Natural Gas)	225,000	24,887	249,887	245,458	4,429
Energy (Electricity)	394,000	33,245	427,245	388,958	38,287
Energy (Gasoline)	16,000	2,310	18,310	16,868	1,442
Total Undistributed Expenditures - Custodial Services	2,602,869	19,612	2,622,481	2,524,956	97,525
Undistributed Expenditures - Care and Upkeep of Grounds					
Salaries	158,903	6,612	165,515	162,925	2,590
Cleaning, Repair and Maintenance Services	28,000	30,090	58,090	58,040	50
General Supplies	6,000	10,247	16,247	16,115	132
Total Undistributed Expenditures - Care and Upkeep of Grounds	192,903	46,949	239,852	237,080	2,772
Undistributed Expenditures - Security					
Salaries	48,269		48,269	46,591	1,678
Cleaning, Repair and Maintenance Services	25,000		25,000	7,355	17,645
General Supplies	10,000	10,092	20,092	12,196	7,896
Total Undistributed Expenditures - Security	83,269	10,092	93,361	66,142	27,219
Undistributed Expenditures - Student Transportation Services					
Salaries - Between Home and School - Regular	57,192		57,192	48,404	8,788
Management Fee - ESC Transportation Program	1,706	1,002	2,708	2,590	118
Other Purchased Professional and Technical Services	3,328		3,328	3,171	157
Contracted Services - (Between Home and School) - Vendors	985,520	(84,285)	901,235	887,669	13,566
Contracted Services - (Other than Bet Home & School) - Vendors	79,650	2,300	81,950	76,703	5,247
Contracted Services (Between Home and School) - Joint Agreements		41,073	41,073	5,705	35,368
Contracted Services (Special Education Students) - Vendors	601,325	(120,453)	480,872	472,537	8,335
Contracted Services (Reg Education Students) - ESC's	79,796	(1,002)	78,794	58,687	20,107
Contracted Services (Spec Education Students) - ESC's	196,715		196,715	192,269	4,446
Contracted Services - Aid in Lieu Payments - Non Pub School	26,201		26,201	19,581	6,620
Contracted Services - Aid in Lieu Payments - Choice Schl	8,840	(200)	8,640	5,746	2,894
Transportation Supplies		1,700	1,700	1,500	200
Total Undistributed Expenditures - Student Transportation Services	2,040,273	(159,865)	1,880,408	1,774,562	105,846
Unallocated Benefits:					
Social Security Contributions	500,000	(14,546)	485,454	397,242	88,212
Other Retirement Contributions - PERS	554,800	(4,800)	550,000	466,427	83,573
Workmen's Compensation	263,135	6,578	269,713	269,712	1
Health Benefits	4,377,270	41,502	4,418,772	4,255,995	162,777
Tuition Reimbursement	90,000	10,475	100,475	99,152	1,323
Other Employee Benefits	438,800	42,019	480,819	478,673	2,146
Total Unallocated Benefits	6,224,005	81,228	6,305,233	5,967,201	338,032
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				1,141,146	(1,141,146)
Teacher's Pension & Annuity Fund (On-Behalf - Non-Budgeted)				695,980	(695,980)
Reimbursed TPAF Social Security (Non-Budgeted)				1,178,756	(1,178,756)
Total On-Behalf Contributions				3,015,882	(3,015,882)
Total Undistributed Expenditures	19,298,291	282,088	19,580,379	21,438,760	(1,858,381)
Total Current Expense	34,314,229	461,958	34,776,187	36,011,810	(1,235,623)

See Management's Discussion and analysis section of this report for explanation of significant budget variances, original and final

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Modifications	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
Capital Outlay					
Interest Deposit on Capital Reserve	\$ 5	\$ (5)	\$	\$	
Equipment:					
Kindergarten					
Undistributed Expenditures:					
Required Maintenance for School Facilities		9,802	9,802	9,802	
Custodial Services		16,000	16,000		16,000
Care and Upkeep of Grounds	7,495	10,455	17,950	17,950	
Total Equipment	<u>7,495</u>	<u>36,257</u>	<u>43,752</u>	<u>27,752</u>	<u>16,000</u>
Facilities Acquisition and Construction Services					
Construction Services	450,000	120,324	570,324	417,650	152,674
Other Objects - Debt Service Assessment	52,666		52,666	52,666	
Total Facilities Acquisition and Construction Services	<u>502,666</u>	<u>120,324</u>	<u>622,990</u>	<u>470,316</u>	<u>152,674</u>
Total Capital Outlay	<u>510,166</u>	<u>156,576</u>	<u>666,742</u>	<u>498,068</u>	<u>168,674</u>
Total Expenditures	<u>34,824,395</u>	<u>618,534</u>	<u>35,442,929</u>	<u>36,509,878</u>	<u>(1,066,949)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,747,018)</u>	<u>(618,534)</u>	<u>(2,365,552)</u>	<u>(368,682)</u>	<u>1,996,870</u>
OTHER FINANCING SOURCES (USES):					
Operating Transfers (Out) :					
Total Other Financing Sources (Uses):					
Net Change in Fund Balances	<u>(1,747,018)</u>	<u>(618,534)</u>	<u>(2,365,552)</u>	<u>(368,682)</u>	<u>1,996,870</u>
Fund Balances - Beginning of Year	<u>3,738,094</u>		<u>3,738,094</u>	<u>3,738,094</u>	
Fund Balances - End of Year	<u>\$ 1,991,076</u>	<u>\$ (618,534)</u>	<u>\$ 1,372,542</u>	<u>\$ 3,369,412</u>	<u>\$ 1,996,870</u>
Recapitulation:					
Fund Balances:					
Restricted:					
Capital Reserve				\$ 1,153,431	
Maintenance Reserve				67,975	
Excess Surplus				388,311	
Assigned Fund Balance:					
Year-End Encumbrances				533,781	
Designated For Subsequent Year's Expenditures				550,000	
Unassigned				675,914	
				<u>3,369,412</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				(1,960,542)	
				<u>\$ 1,408,870</u>	

See Management's Discussion and analysis section of this report for explanation of significant budget variances, original and final

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
State Sources:					
Preschool Education aid	\$ 866,970	\$	\$ 866,970	\$ 866,970	\$
Other		9,696	9,696	9,696	
Total - State Sources	866,970	9,696	876,666	876,666	
Federal Sources:					
Title I	1,023,074	264,024	1,287,098	1,287,098	
Title II	120,450	36,959	157,409	157,409	
Title III	38,114	11,074	49,188	49,188	
I.D.E.A., Part B	462,384	58,766	521,150	521,150	
I.D.E.A., Part B. Preschool Incentive	17,606	2,660	20,266	20,266	
Race to the Top 3	46,948	(3,864)	43,084	43,084	
Perkins Vocational	12,100	1,703	13,803	13,803	
Total - Federal Sources	1,720,676	371,322	2,091,998	2,091,998	
Other					
Salem County Bridges		987	987	987	
Total Revenues	2,587,646	382,005	2,969,651	2,969,651	
EXPENDITURES:					
Instruction					
Salaries of Teachers	671,559	299,417	970,976	970,976	
Other Salaries for Instruction	260,631	34,046	294,677	294,677	
Purchased Professional and Technical Services	450	1,440	1,890	1,890	
Other Purchased Services (400-500 Series)	44,748	(42,198)	2,550	2,550	
Tuition	479,990	61,426	541,416	541,416	
General Supplies	105,477	94,100	199,577	199,577	
Textbooks	2,400	(2,400)			
Other Objects	2,338	101	2,439	2,439	
Miscellaneous Expenditures	2,400	(2,400)			
Total Instruction	1,569,993	443,532	2,013,525	2,013,525	
Support Services:					
Salaries of Principals, Assistant Principals and Program Directors	48,540		48,540	48,540	
Salaries of Other Professional Staff	82,242	19,983	102,225	102,225	
Salaries of Secretarial and Clerical Assistants	49,650		49,650	49,650	
Salaries Aides	30,077	(30,077)			
Other Salaries	62,929		62,929	62,929	
Personal Services - Employee Benefits	18,888	3,045	21,933	21,933	
Medical Benefits	280,557	111,400	391,957	391,957	
Other Employee Benefits	60,124	50,367	110,491	110,491	
Purchased Professional - Technical Services	26,960	118,924	145,884	145,884	
Purchased Professional - Educational Services	82,382	(82,382)			
Contracted Services - Transportation Other than Between Home and School	205,331	(203,438)	1,893	1,893	
Travel	2,062	(1,541)	521	521	
Other Purchased Services (400-500 Series)	22,948	(19,493)	3,455	3,455	
General Supplies	34,800	(33,883)	917	917	
Miscellaneous Expenditures	10,163	5,568	15,731	15,731	
Total Support Services	1,017,653	(61,527)	956,126	956,126	
Total Expenditures	2,587,646	382,005	2,969,651	2,969,651	
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

**NOTES TO THE REQUIRED SUPPLEMENTARY
INFORMATION**

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET-TO-GAAP RECONCILIATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures.

	<u>Ref</u>	<u>General Fund</u>	<u>Ref</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:				
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	[C-1]	\$ 36,141,196	[C-2]	\$ 2,969,651
Difference - Budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		2,022,647		79,059
The last State aid payment is recognized for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).		<u>(1,960,542)</u>		<u>(86,697)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 36,203,301</u>	[B-2]	<u>\$ 2,962,013</u>
Uses/Outflows of Resources:				
Actual amounts (budgetary basis) "total expenditures" and "financing uses" from the budgetary comparison schedule.	[C-1]	\$ 36,509,878	[C-2]	\$ 2,969,651
Differences - Budget to GAAP;				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.				
Transfers to other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes. Net transfers to the General Fund.				
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>\$ 36,509,878</u>	[B-2]	<u>\$ 2,969,651</u>

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

EXHIBIT E-1

(1)

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2013)**

	N.C.L.B.		Total Carried Forward
	Title I	Title II	
	Part A	A-Training	
	2013-2014	2013-2014	
REVENUES:			
Federal Sources	\$ 1,287,098	\$ 157,409	\$ 1,444,507
State Sources			
Other			
Total Revenues	\$ 1,287,098	\$ 157,409	\$ 1,444,507
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 496,849	\$ 112,700	\$ 609,549
Other Salaries for Instruction	117,039		117,039
Purchased Professional and Technical Services	1,500		1,500
Tuition			
General Supplies	171,233		171,233
Other Objects	183		183
Total Instruction	786,804	112,700	899,504
Support Services:			
Salaries of Other Professional Staff	64,956		64,956
Personal Services - Employee Benefits		20,060	20,060
Medical Benefits	203,920	24,649	228,569
Other Employee Benefits	110,491		110,491
Purchased Professional - Technical Services	102,800		102,800
Purchased Professional - Educational Services			
Contracted Services - Transportation Other Than Between Home and School	496		496
Travel	192		192
Other Purchased Services (400-500)	955		955
Supplies	917		917
Miscellaneous Expenditures	15,567		15,567
Total Support Services	500,294	44,709	545,003
Total Expenditures	1,287,098	157,409	1,444,507
Excess (Deficiency) of Revenue Over (Under) Expenditures	\$	\$	\$

EXHIBIT E-1
(2)

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2013)

	Total Brought Forward	N.C.L.B. III - English Lang 2013-2014	I.D.E.A. Part B Basic 2013-2014	Total Carried Forward
REVENUES:				
Federal sources	\$ 1,444,507	\$ 49,188	\$ 521,150	\$ 2,014,845
State Sources				
Local Sources				
Total Revenues	1,444,507	49,188	521,150	2,014,845
EXPENDITURES:				
Instruction:				
Salaries of Teachers	609,549			609,549
Other Salaries for Instruction	117,039	21,394		138,433
Purchased Professional and Technical Services	1,500			1,500
Other Purchased Services (400-500 Series)				
Tuition			521,150	521,150
General Supplies	171,233	16,607		187,840
Other Objects	183			183
Miscellaneous Expenditures				
Total Instruction	899,504	38,001	521,150	1,458,655
Support Services:				
Salaries of Other Professional Staff	64,956			64,956
Personal Services - Employee Benefits	20,060	1,637		21,697
Medical Benefits	228,569	9,386		237,955
Other Employee Benefits	110,491			110,491
Purchased Professional - Technical Services	102,800			102,800
Purchased Professional - Educational Services				
Contracted Services - Transportation Other Than Between Home and School	496			496
Travel	192			192
Other Purchased Services (400-500 Series)	955			955
General Supplies	917			917
Miscellaneous Expenditures	15,567	164		15,731
Total Support Services	545,003	11,187		556,190
Total Expenditures	1,444,507	49,188	521,150	2,014,845
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$	\$	\$

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

District-Wide Total

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 361,427	\$ 361,427	\$
Other Salaries for Instruction	156,244	156,244	
Total Instruction	<u>517,671</u>	<u>517,671</u>	
Support Services:			
Salaries of Principals	48,540	48,540	
Salaries of Other Professional Staff	34,178	34,178	
Salaries of Secretarial/Clerical Assistants	49,650	49,650	
Other Salaries	62,929	62,929	
Other Employee Benefits	154,002	154,002	
Total Support Services	<u>349,299</u>	<u>349,299</u>	
Total Expenditures	<u>\$ 866,970</u>	<u>\$ 866,970</u>	<u>\$</u>

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2013-2014 Preschool Education Aid Allocation	\$ 866,970	(1)
Add: Actual ECPA Carryover (June 30, 2013)		(2)
Add: Budgeted Transfer from the General Fund 2013-14		(3)
Total Preschool Education Aid Funds Available for 2013-2014 Budget	<u>866,970</u>	(4)
Less: 2013-2014 Budgeted Preschool Education Aid (Including Prior Year Budgeted Carryover)	<u>(866,970)</u>	(5)
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2014		(6)
Add: June 30, 2014 Unexpended Preschool Education Aid		(7)
Less: 2013-14 Commissioner-approved Transfer to the General Fund		(8)
2013-14 Carryover - Preschool Education Aid/Preschool Programs	<u>\$</u>	(9)
2013-14 Preschool Education Aid Carryover Budgeted for Preschool Programs 2014-15		(10)

CAPITAL PROJECTS FUND DETAIL STATEMENT

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

<u>Number</u>	<u>Issue/Project Title</u>	<u>Appropriations</u>	<u>Cancelled</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance 6/30/14</u>	<u>Memo Only</u>	
				<u>Prior Year</u>	<u>Current Year</u>		<u>Encumbrances</u>	<u>Available Balance</u>
4070-50-10-1004	Science Lab & Auditorium Upgrade at Penns Grove High School	\$ 3,000,000	\$ 199,228	\$ 2,738,648	\$	\$ 62,124	\$	\$ 62,124
		<u>\$ 3,000,000</u>	<u>\$ 199,228</u>	<u>\$ 2,738,648</u>	<u>\$</u>	<u>\$ 62,124</u>	<u>\$</u>	<u>\$ 62,124</u>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2014

**Revenues and Other Financing
Sources**

State Sources - SDA Grant	\$	
Transfer from Capital Reserve		
Transfer from Maintenance Reserve		
		<hr/>
Total Revenues		<hr/>

**Expenditures and Other Financing
Uses**

Other Professional and Technical Services	\$	
Construction Services		
General Supplies		
Equipment Purchases		
Other Costs		
		<hr/>
Total Expenditures		<hr/>

Excess (Deficiency) of Revenues Over (Under) Expenditures Before Transfers

Excess (Deficiency) of Revenues Over (Under) Expenditures

Fund Balance - Beginning	62,124
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Fund Balance - Ending	\$ 62,124
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PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
RENOVATION OF AUDITORIUM AND SCIENCE LABS AT PENNS GROVE HIGH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
Maintenance Reserve	\$ 224	\$	\$ 224	\$ 224
Transferred from Other Projects by Authorizing Resolution	9,466		9,466	9,466
Transfer from Capital Reserve	775,000		775,000	775,000
State Sources - SDA Grant	2,008,082		2,008,082	2,008,082
Bond Proceeds & Transfers	8,000		8,000	8,000
Total Revenues	2,800,772		2,800,772	2,800,772
Expenditures and Other Financing Uses				
Other Professional and Technical Services	203,789		203,789	203,789
Construction Services	2,491,860		2,491,860	2,491,860
General Supplies	7,009		7,009	7,009
Equipment Purchases	6,971		6,971	6,971
Other Costs	29,019		29,019	91,143
Total Expenditures	2,738,648		2,738,648	2,800,772
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 62,124	\$	\$ 62,124	\$

Additional project information:

Project Number	4070-050-10-1004
Grant Date	4/5/12
Original Authorization Cost	\$3,000,000
Additional Authorized Cost	(199,228)
Revised Authorized Cost	2,800,772
Percentage Decrease over Original Authorized Cost	N/A
Percentage Completion	100%
Original Target Completion Date	11/15/2012
Revised Target Completion Date	N/A

PROPRIETARY FUND DETAIL STATEMENTS

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

Food Services Fund – This fund provides for the operation of food services in all schools within the school district.

School Age Child Care Fund – This fund provides for the operation of school child supervision.

Internal service funds – This fund is used to serve organizational units within the district or to serve other governmental units.

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5
AND B-6.**

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2014
(with comparative totals for June 30, 2013)

	<u>Food Service</u>	<u>Academy Program</u>	<u>Totals 2014</u>	<u>2013</u>
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 2,360	\$	\$ 2,360	\$ 34,808
Accounts Receivable:				
State	1,973		1,973	3,664
Federal	67,661		67,661	157,557
Other	662		662	24,004
Interfund Accounts Receivable	284,932		284,932	82,782
Inventories	16,674		16,674	18,292
Total Current Assets	374,262		374,262	321,107
Non Current Assets:				
Furniture, Machinery and Equipment	678,020	30,118	708,138	704,338
Less: Accumulated Depreciation	(584,937)	(19,073)	(604,010)	(584,748)
Total Non Current Assets	93,083	11,045	104,128	119,590
Total Assets	\$ 467,345	\$ 11,045	\$ 478,390	\$ 440,697
LIABILITIES				
Current Liabilities:				
Due to General Fund	\$	\$	\$	\$ 8,602
Compensated Absences Payable	12,810		12,810	10,715
Accounts Payable	158		158	158
Unearned Revenue	4,932		4,932	5,039
Total Current Liabilities	17,900		17,900	24,514
Non-Current Liabilities:				
Compensated Absences				16,805
Total Liabilities	17,900		17,900	41,319
NET POSITION				
Investment in Capital Assets Net of Related Debt	93,083	11,045	104,128	119,590
Unrestricted	356,362		356,362	279,788
Total Net Position	\$ 449,445	\$ 11,045	\$ 460,490	\$ 399,378

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(with comparative totals for June 30, 2013)

	<u>Food Service</u>	<u>Academy Program</u>	<u>Totals</u>	
			<u>2014</u>	<u>2013</u>
OPERATING REVENUES:				
Local Sources:				
Daily Sales-Reimbursable Programs:				
School Lunch Program	\$ 114,718	\$	\$ 114,718	\$ 134,533
Total Daily Sales-Reimbursable Programs	114,718		114,718	134,533
Daily Sales Non-Reimbursable Programs	144,692		144,692	153,040
Special Functions	10,021		10,021	12,534
Miscellaneous	791		791	829
Academy Tuition		186,707	186,707	181,693
Total Operating Revenue	270,222	186,707	456,929	482,629
OPERATING EXPENSES:				
Salaries	532,214	113,716	645,930	611,898
Employee Benefits	58,379		58,379	84,930
Employee Property Services	13,258		13,258	13,994
General Supplies	26,729	5,658	32,387	14,140
Depreciation	17,255	2,007	19,262	19,011
Transportation		48,180	48,180	51,745
Tuition		29,520	29,520	20,664
Miscellaneous	7,102		7,102	9,069
Cost of Sales	497,550		497,550	554,434
Total Operating Expenses	1,152,487	199,081	1,351,568	1,379,885
Operating Loss	(882,265)	(12,374)	(894,639)	(897,256)
Non-Operating Revenues (Expenses):				
State Sources:				
State School Lunch Program	15,471		15,471	15,409
Federal Sources:				
National School Breakfast Program	134,013		134,013	114,719
National School Lunch Program	714,325		714,325	670,929
National Snack Program	6,948		6,948	6,392
Fruit and Vegetable Grant				17,350
Food Distribution Program	84,896		84,896	84,583
Interest and Investment Revenue	98		98	94
Total Non-Operating Revenues (Expenses)	955,751		955,751	909,476
Change in Net Position	73,486	(12,374)	61,112	12,220
Total Net Position-July 1	375,959	23,419	399,378	387,158
Total Net Position-June 30	\$ 449,445	\$ 11,045	\$ 460,490	\$ 399,378

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(with comparative totals for June 30, 2013)

	Food Service	Academy Program	Totals 2014	2013
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 270,222	\$ 186,707	\$ 456,929	\$ 463,660
Payments to Employees	(532,214)	(113,716)	(645,930)	(611,898)
Payments for Employee Benefits	(58,379)		(58,379)	(84,930)
Payments to Suppliers	(582,932)	(72,991)	(655,923)	(568,121)
Net Cash Provided by (Used for) Operating Activities	(903,303)		(903,303)	(801,289)
Cash Flows from Non-Capital Financing Activities:				
State Sources	15,471		15,471	15,409
Federal Sources	855,286		855,286	809,390
Operating Subsidies and Transfers to Other Funds				
Total Cash Provided by Non-Capital Financing Activities	870,757		870,757	824,799
Net Increase Before Investing Activities	(32,546)		(32,546)	23,510
Cash Flows from Investing Activities:				
Interest on Investments	98		98	94
Net Cash Provided by Investing Activities	98		98	94
Net Increase/(Decrease) in Cash and Cash Equivalents	(32,448)		(32,448)	23,604
Cash and Cash Equivalents, July 1	34,808		34,808	11,204
Cash and Cash Equivalents, June 30	\$ 2,360	\$	\$ 2,360	\$ 34,808
Operating Income (Loss)	\$ (882,265)	\$ (12,374)	\$ (894,639)	\$ (897,256)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities				
Depreciation	17,255	2,007	19,262	19,011
Federal Commodities Food Distribution	84,896		84,896	84,583
Change in Assets and Liabilities:				
(Increase)/Decrease in Accounts Receivable	95,960	18,969	114,929	(84,255)
(Increase)/Decrease in Inventory	1,618		1,618	4,368
(Increase)/Decrease in Interfund Receivable	(202,150)		(202,150)	67,029
(Increase)/Decrease in Fixed Assets	(3,800)		(3,800)	(2,986)
Increase/(Decrease) in Interfund Payable		(8,602)	(8,602)	8,602
Increase/(Decrease) in Accounts Payable				(11,100)
Increase/(Decrease) in Compensated Absences	(16,805)		(16,805)	
Increase/(Decrease) in Compensated Absences Payable	2,095		2,095	10,715
Increase/(Decrease) in Unearned Revenue	(107)		(107)	
Total Adjustments	(21,038)	12,374	(8,664)	95,967
Net Cash Used by Operating Activities	\$ (903,303)	\$	\$ (903,303)	\$ (801,289)

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Food Service Director Services</u>
OPERATING REVENUES:	
Charges for Service:	
Service Provided to Other LEAs	
Food Service Director Services	\$ 8,800
Amazing Grace Academy	3,211
	<u> </u>
Total Operating Revenue	<u>12,011</u>
OPERATING EXPENSES:	
Salaries	8,800
Food and Beverage	3,211
	<u> </u>
Total Operating Expenses	<u>12,011</u>
Change in Net Position	<u> </u>
Net Position - July 1	<u> </u>
Net Position - June 30	<u>\$ <u> </u></u>

FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments and/or other funds.

Student Activity Fund – This agency fund is used to account for student funds held at the schools.

Payroll Fund – This agency fund is used to account for the payroll transactions of the school district.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2014

(with comparative totals for June 30, 2013)

	<u>Trust Funds</u>		<u>Agency Funds</u>		<u>Totals</u>	
	<u>School Uniform Trust</u>	<u>Unemployment Compensation Trust</u>	<u>Student Activity</u>	<u>Payroll</u>	<u>2014</u>	<u>2013</u>
ASSETS:						
Cash and Cash Equivalents	\$ 1,324	\$ 235,773	\$ 79,579	\$ 379,809	\$ 696,485	\$ 736,164
Due from General Fund						684
Due from School Uniform Trust						1,000
Total Assets	<u>\$ 1,324</u>	<u>\$ 235,773</u>	<u>\$ 79,579</u>	<u>\$ 379,809</u>	<u>\$ 696,485</u>	<u>\$ 737,848</u>
LIABILITIES, RESERVES AND FUND BALANCES:						
Liabilities:						
Accounts Payable	\$	\$ 10,479	\$	\$	\$ 10,479	\$ 8,010
Due to Payroll Fund						1,000
Due to Student Groups			79,579		79,579	81,261
Payroll Deductions and Withholdings				329,190	329,190	329,190
Employee Sec 125 Plan				33,388	33,388	60,538
Due to General Fund				17,231	17,231	22,715
Total Liabilities		<u>10,479</u>	<u>79,579</u>	<u>379,809</u>	<u>469,867</u>	<u>502,714</u>
Net Position:						
Held in Trust for Unemployment Claims and Other Purposes	<u>1,324</u>	<u>225,294</u>			<u>226,618</u>	<u>235,134</u>
Total Net Position	<u>1,324</u>	<u>225,294</u>			<u>226,618</u>	<u>235,134</u>
Total Liabilities, Reserves and Net Position	<u>\$ 1,324</u>	<u>\$ 235,773</u>	<u>\$ 79,579</u>	<u>\$ 379,809</u>	<u>\$ 696,485</u>	<u>\$ 737,848</u>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES
IN FIDUCIARY NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

	<u>School Uniform Trust</u>	<u>Unemployment Compensation Trust</u>	<u>Total</u>
ADDITIONS:			
Contributions:			
Employee Deductions	\$	\$ 38,222	\$ 38,222
Other	2,500		2,500
	<hr/>	<hr/>	<hr/>
Total Contributions	2,500	38,222	40,722
Investment Earnings:			
Interest		335	335
	<hr/>	<hr/>	<hr/>
Total Additions	2,500	38,557	41,057
	<hr/>	<hr/>	<hr/>
DEDUCTIONS:			
Uniforms	1,176		1,176
Unemployment Claims		48,397	48,397
	<hr/>	<hr/>	<hr/>
Total Deductions	1,176	48,397	49,573
	<hr/>	<hr/>	<hr/>
Change in Net Position	1,324	(9,840)	(8,516)
Net Position - July 1 (Deficit)	-	235,134	235,134
	<hr/>	<hr/>	<hr/>
Net Position - June 30 (Deficit)	\$ 1,324	\$ 225,294	\$ 226,618
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
STUDENT ACTIVITY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30,</u> <u>2014</u>
CARLETON SCHOOL	\$ 2,446	\$ 9,965	\$ 8,633	\$ 3,778
Total Carleton School	<u>2,446</u>	<u>9,965</u>	<u>8,633</u>	<u>3,778</u>
MIDDLE SCHOOL				
General Account	11,049			11,049
Total Middle School	<u>11,049</u>			<u>11,049</u>
HIGH SCHOOLS				
General Account	66,857	197,473	199,983	64,347
Future Farmers of America	909	4,072	4,576	405
Petty Cash		1,421	1,421	
Total High School	<u>67,766</u>	<u>202,966</u>	<u>205,980</u>	<u>64,752</u>
Total All Schools	<u>\$ 81,261</u>	<u>\$ 212,931</u>	<u>\$ 214,613</u>	<u>\$ 79,579</u>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Balance</u> <u>July 1,</u> <u>2013</u>		<u>Additions</u>		<u>Deletions</u>		<u>Balance</u> <u>June 30,</u> <u>2014</u>
ASSETS:							
Cash and Cash Equivalents	\$ 411,443	\$	12,229,634	\$	12,261,268	\$	379,809
Interfund Receivable	1,000				1,000		
Total Assets	<u>\$ 412,443</u>	\$	<u>12,229,634</u>	\$	<u>12,262,268</u>	\$	<u>379,809</u>
LIABILITIES:							
Interfund Payable	\$ 22,715	\$	17,231	\$	22,715	\$	17,231
Payroll Deductions and Withholdings	329,190						329,190
Employee Sec 125 Plan	60,538		111,286		138,436		33,388
Net Payroll			12,101,117		12,101,117		
Total Liabilities	<u>\$ 412,443</u>	\$	<u>12,229,634</u>	\$	<u>12,262,268</u>	\$	<u>379,809</u>

LONG-TERM DEBT SCHEDULES

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
STATEMENT OF SERIAL BONDS
JUNE 30, 2014

Number	Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance	Issued	Retired	Refunded	Balance
				Date	Amount		July 1, 2013				June 30, 2014
95-893	Refunding School Bonds, Series 2003	6/9/03	\$ 4,465,000	12/15/14	\$ 205,000	3.300%					
				12/15/15	210,000	3.400%	\$ 610,000	\$	\$ 195,000	\$	\$ 415,000
N/A	Refunding School Bonds, Series 2005	3/22/05	7,785,000	3/1/15	670,000	3.750%					
				3/1/16	695,000	3.750%					
				3/1/17	720,000	3.875%					
				3/1/18	745,000	3.900%					
				3/1/19	770,000	4.000%					
				3/1/20	780,000	4.000%	5,030,000		650,000		4,380,000
							<u>\$ 5,640,000</u>	<u>\$</u>	<u>\$ 845,000</u>	<u>\$</u>	<u>\$ 4,795,000</u>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 550,349	\$	\$ 550,349	\$ 550,349	\$
State Sources:					
Debt Service Aid Type II	506,121		506,121	506,121	
Total Revenues	1,056,470		1,056,470	1,056,470	
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	211,470		211,470	211,470	
Redemption of Principal	845,000		845,000	845,000	
Total expenditures	1,056,470		1,056,470	1,056,470	
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Other Financing Sources:					
Operating Transfers In:					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures					
Fund Balance, July 1					
Fund Balance, June 30	\$	\$	\$	\$	\$
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Undesignated Fund Balance	\$	\$	\$	\$	\$

STATISTICAL SECTION

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 13,497,052	\$ 12,855,438	\$ 12,779,473	\$ 9,833,365	\$ 9,063,530	\$ 6,153,613	\$ 5,466,736	\$ 4,905,721	\$ 4,321,380	\$ 3,282,586
Restricted	2,205,622	2,199,963	2,241,158	2,953,546	3,745,437	3,549,365	1,766,610	770,294	991,288	1,187,360
Unrestricted	(1,883,674)	(1,576,577)	(1,569,361)	(1,879,345)	(2,497,600)	(2,099,580)	(919,416)	(159,319)	(818,227)	(538,603)
Total Governmental Activities Net Position	\$ 13,819,000	\$ 13,478,824	\$ 13,451,270	\$ 10,907,566	\$ 10,311,367	\$ 7,603,398	\$ 6,313,930	\$ 5,516,696	\$ 4,494,441	\$ 3,931,343
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt	\$ 104,128	\$ 119,590	\$ 135,615	\$ 122,865	\$ 139,845	\$ 128,735	\$ 120,764	\$ 146,908	\$ 160,409	\$ 174,745
Restricted										
Unrestricted	356,362	279,788	251,543	349,715	394,749	363,562	390,584	239,941	216,731	199,722
Total Business-Type Activities Net Position	\$ 460,490	\$ 399,378	\$ 387,158	\$ 472,580	\$ 534,594	\$ 492,297	\$ 511,348	\$ 386,849	\$ 377,140	\$ 374,467
District-Wide										
Invested in Capital Assets, Net of Related Debt	\$ 13,601,180	\$ 12,975,028	\$ 12,915,088	\$ 9,956,230	\$ 9,203,375	\$ 6,282,348	\$ 5,587,500	\$ 5,052,629	\$ 4,481,789	\$ 3,457,331
Restricted	2,205,622	2,199,963	2,241,158	2,953,546	3,745,437	3,549,365	1,766,610	770,294	991,288	1,187,360
Unrestricted	(1,527,312)	(1,296,789)	(1,317,818)	(1,529,630)	(2,102,851)	(1,736,018)	(528,832)	80,622	(601,496)	(338,881)
Total District-Wide Net Position	\$ 14,279,490	\$ 13,878,202	\$ 13,838,428	\$ 11,380,146	\$ 10,845,961	\$ 8,095,695	\$ 6,825,278	\$ 5,903,545	\$ 4,871,581	\$ 4,305,810

Source: CAFR Schedule A-1

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Expenses										
Governmental activities										
Instruction										
Regular	\$ 11,848,422	11,559,741	11,826,681	11,790,076	13,172,703	11,697,895	11,966,132	11,075,905	11,114,404	10,758,901
Special Education	3,520,467	3,447,917	3,428,834	3,462,879	3,264,593	3,179,272	2,696,022	2,483,518	2,313,036	2,130,284
Other Special Instruction	1,114,718	1,134,233	1,191,432	1,239,244	1,153,040	886,130	300,043	445,261	472,060	292,127
Other Instruction	406,459	356,606	336,799	336,659	346,272	340,008	338,803	288,410	314,989	295,009
Support Services										
Tuition	2,026,092	1,734,327	1,548,220	1,283,439	1,432,634	1,068,462	690,119	568,826	820,778	1,077,878
Student and Instruction Related Services	3,065,970	3,253,474	3,606,010	3,579,218	3,486,959	3,103,331	3,425,284	3,239,839	3,231,188	2,670,995
General Administrative Services	838,268	993,548								
School Administrative Services	1,530,355	1,400,520	1,549,345	1,548,441	1,679,595	1,595,764	1,416,545	1,353,850	1,379,682	1,440,538
Other Administrative Services	571,040	576,493	1,473,381	1,438,909	1,417,393	1,468,983	1,383,040	1,362,480	1,335,397	1,220,917
Plant Operations and Maintenance	3,383,562	3,897,524	3,355,922	2,828,113	3,086,329	2,910,473	3,277,642	2,770,970	2,542,643	2,413,064
Pupil Transportation	1,774,562	1,793,153	1,854,255	1,809,753	1,678,099	1,530,292	1,483,886	1,365,055	1,199,947	1,016,968
Unallocated Benefits	9,503,065	9,147,425	8,082,765	7,941,614	6,900,907	7,295,474	8,227,428	7,800,478	6,282,929	6,008,761
Amortization of Debt Issuance Cost			71,109	77,394	83,407	85,053	87,322	90,202	88,778	20,150
Capital Outlay									11,359	
Interest on Long-Term Debt	298,628	298,791	259,043	284,533	308,407	338,093	373,968	413,013	445,618	548,305
Total Governmental Activities Expenses	39,881,608	39,593,752	38,583,796	37,620,272	38,010,338	35,499,230	35,666,234	33,257,807	31,552,808	29,893,897
Business-Type Activities										
Food Service	1,152,487	1,206,552	1,169,776	1,126,629	1,168,399	1,159,740	1,089,620	1,022,560	999,496	945,661
Academy Program	199,081	173,333	201,065	223,064	193,070	185,508	89,831	93,304	68,312	140,669
Internal Service Fund	8,800	7,500	7,500	5,000						
Latchkey Program								477	488	1,011
Total Business-Type Activities Expense	1,360,368	1,387,385	1,378,341	1,354,693	1,361,469	1,345,248	1,179,451	1,116,341	1,068,296	1,087,341
Total District Expenses	\$ 41,241,976	40,981,137	39,962,137	38,974,965	39,371,807	36,844,478	36,845,685	34,374,148	32,621,104	30,981,238
Program Revenues										
Governmental Activities										
Charges for Services - Instruction (Tuition)	\$ 1,153,930	1,318,458	1,252,643	1,706,604	1,581,229	1,213,440	1,618,302	1,529,494	1,254,700	1,452,076
Operating Grants and Contributions	6,491,654	6,689,485	6,238,796	6,002,990	7,485,268	6,335,059	9,821,627	9,191,247	8,490,848	7,973,635
Total Governmental Activities Prog Revenues	7,645,584	8,007,943	7,491,439	7,709,594	9,066,497	7,548,499	11,439,929	10,720,741	9,745,548	9,425,711
Business-Type Activities										
Charges for Services										
Food Service	270,222	300,936	284,110	299,594	319,768	354,253	384,566	359,652	366,512	365,118
Academy Program	186,707	181,693	165,309	171,035	175,135	136,750	153,375	90,158	81,763	92,355
Internal Service Fund	8,800	7,500	7,500	5,000						
Latchkey Program										
Operating Grants and Contributions	955,653	909,382	835,864	816,887	908,659	833,777	765,715	667,367	621,029	572,166
Total Business-Type Activities Prog Revenues	1,421,382	1,399,511	1,292,783	1,292,516	1,403,562	1,324,780	1,303,656	1,117,177	1,069,304	1,029,639
Total District Program Revenues	\$ 9,066,966	9,407,454	8,784,222	9,002,110	10,470,059	8,873,279	12,743,585	11,837,918	10,814,852	10,455,350
Net (Expense)/Revenue										
Governmental Activities	\$ 32,236,024	31,585,809	31,092,357	29,910,678	28,943,841	27,950,731	24,226,305	22,537,066	21,807,260	20,468,186
Business-Type Activities	(61,014)	(12,126)	85,558	62,177	(42,093)	20,468	(124,205)	(836)	(1,008)	57,702
Total District-Wide Net Expense	\$ 32,175,010	31,573,683	31,177,915	29,972,855	28,901,748	27,971,199	24,102,100	22,536,230	21,806,252	20,525,888
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes Levied for General Purposes, Net	\$ 10,368,642	10,002,588	9,491,035	9,380,255	9,019,476	9,289,494	9,229,034	9,120,821	8,109,974	7,563,088
Taxes Levied for Debt Service	550,349	551,884	552,912	555,419	455,930	468,193	643,920	693,288	661,400	610,093
Federal and State Aid Unrestricted	21,546,619	21,283,731	23,807,981	20,471,743	22,121,688	19,355,414	14,417,410	13,579,628	13,567,282	13,559,502
Federal and State Aid Restricted										384,937
Federal and State Aid Restricted-Cancellation			(300,244)					(73,018)		
Loss on Disposal of Asset				(20,983)				(13,875)		
Miscellaneous Income	110,590	44,540	84,377	120,442	54,715	127,099	231,693	258,938	190,178	101,960
Lease Purchase Proceeds							500,000			
Transfers							1,482	(6,462)		
Other Financing Uses		(199,228)							10,225	(85,854)
Total Governmental Activities	32,576,200	31,683,515	33,636,061	30,506,876	31,651,809	29,240,200	25,023,539	23,559,320	22,539,059	22,133,726
Business-Type Activities										
Investment Earnings	98	94	136	163	204	1,417	1,776	2,410	1,666	478
Transfer							(1,482)	6,462		
Total Business-Type Activities	98	94	136	163	204	1,417	294	8,872	1,666	478
Total District-Wide	\$ 32,576,298	31,683,609	33,636,197	30,507,039	31,652,013	29,241,617	25,023,833	23,568,192	22,540,725	22,134,204
Change in Net Position										
Governmental Activities	\$ 340,176	97,706	2,543,704	596,198	2,707,968	1,289,469	797,234	1,022,254	731,799	1,665,540
Business-Type Activities	61,112	12,220	(85,422)	(62,014)	42,297	(19,051)	124,499	9,708	2,674	(57,224)
Total District-Wide	\$ 401,288	109,926	2,458,282	534,184	2,750,265	1,270,418	921,733	1,031,962	734,473	1,608,316

Source: CAFR Schedule A-2

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Fund										
Restricted	\$ 1,609,717	\$ 1,519,305	\$	\$	\$	\$	\$	\$	\$	\$
Assigned	1,083,781	1,564,402	1,144,455	916,405						
Unassigned (Deficit)	(1,284,628)	(1,368,260)	(1,217,034)	(1,266,588)						
Reserved					3,396,047	3,591,334	1,789,282	953,490	943,126	542,709
Unreserved			1,498,817	2,069,613	(1,317,082)	(810,362)	597,045	1,191,309	663,617	1,139,811
Total General Fund	\$ 1,408,870	\$ 1,715,447	\$ 1,498,817	\$ 2,069,613	\$ 2,078,965	\$ 2,780,972	\$ 2,386,327	\$ 2,144,799	\$ 1,606,743	\$ 1,682,520
All Other Governmental Funds										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted, Reported in:										
Special Revenue Fund	(86,697)	(79,059)	(78,660)	(74,232)	(74,412)	(71,996)	(168,930)	(137,930)	(137,930)	(137,930)
Capital Projects Fund	62,124	62,124	535,196	626,408	451,965	42,976	72,058	26,215	138,592	732,180
Debt Service Fund						8,749	8,750	31,898	31,897	32,598
Total All Other Governmental Funds	\$ (24,573)	\$ (16,935)	\$ 456,536	\$ 552,176	\$ 377,553	\$ (20,271)	\$ (88,122)	\$ (79,817)	\$ 32,559	\$ 626,848

Source: CAFR Schedule B-1

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues										
Tax Levy	\$ 10,918,991	\$ 10,554,472	\$ 10,043,947	\$ 9,935,674	\$ 9,475,406	\$ 9,757,687	\$ 9,872,954	\$ 9,814,109	\$ 8,771,374	\$ 8,173,181
Tuition Charges	1,153,930	1,318,458	1,252,643	1,706,605	1,581,229	1,213,440	1,618,302	1,529,494	1,254,700	1,452,076
Transportation Charges	16,692	13,785								
Miscellaneous	93,898	30,755	84,377	120,442	54,715	127,099	231,693	258,939	190,178	271,544
Lease Purchase Proceeds							500,000			
Local Sources						45	5,955			
State Sources	25,854,384	25,936,114	27,024,603	23,888,904	22,241,078	23,321,436	21,998,476	20,739,392	19,739,745	19,778,150
Federal Sources	2,183,889	2,037,102	3,022,174	2,585,829	7,365,877	2,368,993	2,234,606	2,031,483	2,318,386	2,139,924
Total Revenues	40,221,784	39,890,686	41,427,744	38,237,454	40,718,305	36,788,700	36,461,986	34,373,417	32,274,383	31,814,875
Expenditures										
Instruction										
Regular Instruction	11,544,931	11,256,915	11,520,712	11,485,476	12,873,203	11,398,565	11,663,798	10,769,727	10,808,256	10,445,594
Special Education Instruction	3,520,467	3,447,917	3,428,834	3,462,879	3,264,593	3,179,272	2,696,022	2,483,518	2,313,036	2,130,283
Other Special Instruction	1,114,718	1,134,233	1,191,432	1,239,244	1,153,040	886,130	300,043	445,261	472,060	292,127
Other Instruction	406,459	356,606	336,799	336,659	346,272	340,008	338,803	288,410	314,989	295,009
Undistributed Expenditures										
Support Services										
Tuition	2,026,092	1,734,327	1,548,220	1,283,439	1,432,634	1,068,462	690,119	568,826	820,778	1,077,878
Student and Instruction Related Services	3,065,970	3,253,474	3,606,010	3,579,218	3,486,959	3,103,331	3,425,284	3,239,839	3,231,188	2,670,995
General Administrative Services	781,045	934,781								
School Administrative Services	1,530,355	1,400,520	1,533,970	1,533,066	1,664,220	1,580,389	1,401,170	1,338,475	1,364,307	1,373,374
Other Administrative Services	555,755	561,368	1,411,309	1,379,743	1,355,078	1,404,367	1,316,304	1,294,873	1,268,757	1,205,542
Plant Operations and Maintenance	3,153,643	2,936,380	3,102,427	2,987,832	3,055,618	2,836,767	2,647,060	2,650,061	2,440,559	2,310,153
Pupil Transportation	1,774,562	1,793,153	1,854,255	1,809,753	1,678,099	1,530,292	1,483,886	1,365,056	1,199,947	1,016,968
Unallocated Employee Benefits	9,507,464	9,275,689	8,094,578	7,606,954	6,901,727	7,345,784	8,220,737	7,803,551	6,479,500	5,953,612
Capital Outlay	498,068	730,941	2,826,394	651,899	2,746,225	579,957	496,882	73,487	514,178	239,051
Debt Service										
Principal	845,000	820,000	795,000	775,000	750,000	725,000	1,165,000	1,125,000	1,115,000	985,000
Interest and Other Charges	211,470	239,416	266,391	291,204	314,823	347,879	383,654	422,174	443,417	603,845
Total Expenditures	40,535,999	39,875,720	41,516,331	38,422,366	41,022,491	36,326,203	36,228,762	33,868,258	32,785,972	30,599,431
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(314,215)	14,966	(88,587)	(184,912)	(304,184)	462,495	233,224	505,160	(511,589)	1,215,444
Other Financing Sources (Uses)										
Refunding Bond Proceeds									10,225	
Transfers Out								(6,462)		
Cancellation of State Aid		(199,228)	(300,244)					(73,018)		
Cancellation of Prior Year Receivables										(28,836)
Refund of Prior Year Revenue										(57,018)
Total Other Financing Sources (Uses)		(199,228)	(300,244)					(79,480)	10,225	(85,854)
Net Change in Fund Balances	\$ (314,215)	\$ (184,262)	\$ (388,831)	\$ (184,912)	\$ (304,184)	\$ 462,495	\$ 233,224	\$ 425,680	\$ (501,364)	\$ 1,129,590
Debt Service as a Percentage of										
Noncapital Expenditures	2.6%	2.7%	2.6%	2.8%	2.6%	3.0%	4.3%	4.6%	4.8%	5.2%

Source: CAFR Schedule B-2

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2,008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Refunds of Prior Year Expenses	\$ 23,021	\$ 2,579	\$ 839	\$ 62,609	\$ 9,054	\$ 54,971	\$ 14,552	\$ 2,836	\$ 9,313	\$ 18,306
Transportation Fee from Other LEA's	16,692	13,785	1,495	1,546	3,750		4,488		130,634	
Interest on Investments	5,105	6,943	9,573	9,831	14,673	45,458	190,064	185,008	3,607	60,746
Miscellaneous	41,020	1,834	25,356	22,282	13,023	10,320	645	27,071		5,221
Sale of Obsolete Equipment								250	1,275	
Athletic Department Ticket Sales	15,445	12,049	10,264	10,779		9,350	10,334	9,274	8,838	6,568
Facility Use	1,200	1,050		8,150	9,715	3,000	2,000	17,000		
Building Rentals	7,120	6,300	36,850	5,250	4,500	4,000	9,610	17,500	12,473	11,114
	<u>\$ 109,603</u>	<u>\$ 44,540</u>	<u>\$ 84,377</u>	<u>\$ 120,447</u>	<u>\$ 54,715</u>	<u>\$ 127,099</u>	<u>\$ 231,693</u>	<u>\$ 258,939</u>	<u>\$ 166,140</u>	<u>\$ 101,955</u>

Source: District Records

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Borough of Penns Grove

Fiscal Year Ended June 30,	Assessed Value							Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate(2)
	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment						
2014	\$ 3,617,500	\$ 134,416,600	\$	\$	\$ 33,885,400	\$	\$ 3,682,500	\$ 175,602,000	\$	\$ 175,602,000	\$ 62,718,600	\$ 167,636,422	\$ 1.226
2013	3,497,900	135,369,000			34,908,200		3,682,500	177,457,600		177,457,600	62,202,200	173,865,114	1.213
2012	3,495,400	135,711,800			34,581,200		3,682,500	177,470,900	1,728,950	179,199,850	62,111,700	177,669,170	1.189
2011	3,485,300	135,491,500			34,540,200		3,682,500	177,199,500	1,706,301	178,905,801	63,137,900	181,280,576	1.181
2010	3,486,700	135,709,400			34,895,900		3,682,500	177,774,500	1,789,417	179,563,917	62,908,800	177,774,500	1.495
2009 (3)	3,526,900	135,673,300			34,852,200		3,682,500	177,734,900	1,742,997	179,477,897	62,957,500	183,762,449	1.468
2008	2,494,200	71,006,200			15,073,100		2,173,300	90,746,800	1,032,879	91,779,679	30,060,500	170,937,269	1.468
2007	2,520,300	70,678,900			15,001,100		2,173,300	90,373,600	1,136,915	91,510,515	30,201,600	150,733,841	1.464
2006	2,518,900	69,661,500			14,337,300		2,173,300	88,691,000	1,248,456	89,939,456	30,413,000	133,753,659	1.398
2005			Not Available					88,674,300	1,439,532	90,113,832	30,480,400	124,453,295	1.416

Township of Carney's Point

Fiscal Year Ended June 30,	Assessed Value							Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate(2)
	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment						
2014	\$ 26,564,300	\$ 431,614,600	\$ 12,886,500	\$ 2,020,900	\$ 125,265,800	\$ 102,986,600	\$ 26,206,500	\$ 727,545,200	\$ 796,031	\$ 728,341,231	\$ 120,401,800	\$ 684,322,638	\$ 1.233
2013	26,961,600	431,427,600	12,728,300	2,053,100	124,840,100	102,986,600	26,206,500	727,203,800	1,061,396	728,265,196	119,968,400	706,895,759	1.177
2012	27,705,700	427,796,400	13,147,000	2,056,400	123,439,900	103,110,600	26,206,500	723,462,500	1,112,173	724,574,673	121,122,900	694,349,524	1.127
2011	29,049,700	425,636,200	13,260,000	1,976,800	123,376,000	103,067,900	26,206,500	722,573,100	1,118,859	723,691,959	120,273,800	684,855,706	1.089
2010	28,240,000	421,999,000	13,490,000	2,035,800	124,644,500	103,067,900	26,206,500	719,683,700	1,412,193	721,138,092	121,648,100	719,683,700	1.060
2009 (3)	28,552,500	421,710,900	14,021,100	2,033,400	126,309,400	89,083,800	26,206,500	707,917,600	1,411,270	709,328,870	137,691,600	704,186,993	1.064
2008	11,406,300	208,526,550	6,850,700	1,926,820	67,754,400	42,911,200	13,550,900	352,926,870	753,563	353,680,433	83,484,528	627,267,537	2.177
2007	9,919,400	202,364,425			64,767,810		15,198,000	292,249,635	804,024	345,609,329	80,062,628	527,728,400	2.215
2006	10,209,000	198,070,025			64,917,810		15,198,000	288,394,835	848,453	342,743,456	79,961,528	491,908,623	1.977
2005			Not Available						1,017,856	337,316,561	79,986,685	433,141,198	1.837

(1) Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

(2) Tax Rates are per \$100.00 of Assessed Valuation

(3) Revaluation of Real Property

Source: District records Tax list summary & Municipal Tax Assessor

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate Per \$100 of Assessed Value)
 Unaudited

Borough of Penns Grove

Year Ended 31-Dec	District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate (1)	General Obligation Debt Service (2)	Total Direct School Tax Rate	Borough of Penns Grove	Salem County	Municipal Open Space	
2014	\$ 1.164	\$ 0.062	\$ 1.226	\$ 1.600	\$ 0.864	\$	\$ 3.690
2013	1.150	0.063	1.213	1.512	0.946		3.671
2012	1.124	0.065	1.189	1.450	0.940		3.579
2011	1.115	0.066	1.181	1.420	0.920		3.521
2010	1.095	0.054	1.149	1.340	0.870		3.359
2009	1.130	0.057	1.187	1.130	0.900		3.217
2008	2.210	0.154	2.364	2.120	1.730		6.214
2007	2.170	0.165	2.335	1.800	1.550		5.685
2006	2.052	0.167	2.219	1.620	1.470		5.309
2005	2.030	0.164	2.194	1.520	1.390		5.104

Township of Carney's Point

Year Ended 31-Dec	District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate (1)	General Obligation Debt Service (2)	Total Direct School Tax Rate	Borough of Carney's Point	Salem County	Municipal Open Space	
2014	\$ 1.171	\$ 0.062	\$ 1.233	\$ 0.413	\$ 0.907	\$	\$ 2.553
2013	1.115	0.062	1.177	0.392	0.936	0.001	2.506
2012	1.067	0.060	1.127	0.380	0.920		2.427
2011	1.029	0.060	1.089	0.380	0.860		2.329
2010	1.010	0.050	1.060	0.356	0.817		2.233
2009	1.012	0.052	1.064	0.356	0.880		2.300
2008	2.035	0.142	2.177	0.660	1.640		4.477
2007	2.058	0.157	2.215	0.570	1.460		4.245
2006	1.828	0.149	1.977	0.520	1.420		3.917
2005	1.700	0.137	1.837	0.230	1.290		3.357

Source: District Records and Municipal Tax Collector

Note:

- 1 NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.
- 2 The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

Rates for debt service are based on each year's requirements.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
Unaudited

Borough of Penns Grove

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Seaboard Landing LLC	\$ 3,363,100	1	1.92%			
Incollingo's Penns Grove Properties	2,609,000	2	1.49%	\$ 1,641,300	2	1.76%
NJEC Associates & Walgreens	2,313,500	3	1.32%			
Rite Aid of New Jersey	2,000,000	4	1.14%	625,000	6	0.67%
New Jersey Bell Telephone				1,546,487	3	1.66%
Cole AA Penns Grove LLC	1,618,600	5	0.92%			
Family Dollar Store	1,271,800	6	0.72%	487,000	8	0.52%
Qunijan, Richard et als.	1,165,800	7	0.66%	586,300	7	0.63%
JAZ Assets, LLC	1,000,600	8	0.14%			
Bell Atlantic	863,500	9	0.49%	915,300	4	0.98%
C D Gardens, Inc.	676,600	10	0.39%			
Penns Grove Gardens				2,750,000	1	2.94%
NJEC Assoc. c/o R. Briskin Feil Org.				770,700	5	0.83%
Taxpayer #1				384,300	9	0.41%
Troy R. Spencer Enterprises, Inc.				320,400	10	0.34%
Total	\$ 16,882,500		9.18%	\$ 10,026,787		10.74%

Township of Carney's Point

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Chambers Cogeneration Ltd. Partnership	\$ 52,000,000		7.14%	\$ 26,000,000		8.06%
El DuPont de Nemours & Co. Inc.	25,000,000		3.43%	13,246,700		4.10%
Conectiv Real Estate	19,028,600		2.61%			
McLane New Jersey	18,442,700		2.53%			
Delaware River & Bay Authorities	12,778,100		1.75%	13,612,000		4.22%
Penns Grove Associates	10,368,600		1.42%	4,800,000		1.49%
CFJ Properties	9,500,000		1.30%	6,778,000		2.10%
Country Gardens Ltd.	8,108,200		1.11%	4,037,500		1.25%
Southgate Health Care Center	7,126,000		0.98%	3,621,600		1.12%
Moors Landing Assoc.				2,500,000		1%
H. W. of Parkview LLC				2,812,000		0.87%
Prime Accounting Dept.				2,800,000		0.87%
Merion Gardens	4,961,800					
Total	\$ 167,314,000		15.15%	\$ 80,207,800		24.85%

Source: Municipal Tax Assessor

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Borough of Penns Grove

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year		Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
			Amount	% of Levy	
2014	\$	2,076,826	\$ 1,437,025	69.19%	\$ 639,801
2013		2,152,277	1,655,511	76.92%	496,766
2012		2,114,023	1,624,776	76.86%	489,247
2011		2,111,317	1,644,098	77.87%	267,219
2010		2,013,928	1,794,056	89.08%	219,872
2009		2,130,567	1,621,524	76.11%	509,043
2008		2,170,349	1,343,863	61.92%	826,486
2007		2,137,024	1,637,693	76.63%	499,331
2006		1,995,822	1,616,918	81.02%	378,905
2005		1,977,030	1,667,694	84.35%	309,336

Township of Carney's Point

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year		Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
			Amount	% of Levy	
2014	\$	8,291,816	\$ 8,291,816	100%	\$
2013		8,568,357	8,568,357	100%	
2012		7,929,924	7,929,924	100%	
2011		7,824,357	7,824,357	100%	
2010		7,461,478	7,461,478	100%	
2009		7,627,120	7,627,120	100%	
2008		7,702,605	7,702,602	100%	3
2007		7,677,085	7,677,082	100%	3
2006		6,775,552	6,775,549	100%	3
2005		6,196,151	6,196,151	100%	

Source: District records including the Certificate and Report of School Taxes (A4F form)

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income ²		Per Capita ³
	General Obligation Bonds ¹	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Income ²				
2014	\$ 4,795,000	\$	\$	\$	\$ 4,795,000	0.86%	\$	43,201	
2013	5,640,000				5,640,000	1.01%		42,774	
2012	6,460,000				6,460,000	0.61%		42,350	
2011	7,255,000		4,795,000		12,050,000	0.55%		41,192	
2010	8,030,000	325,000			8,355,000	0.48%		39,889	
2009	8,780,000	422,505			9,202,505	0.42%		39,138	
2008	9,505,000	505,250			10,010,250	0.39%		39,254	
2007	10,670,000	13,948			10,683,948	0.34%		37,158	
2006	11,795,000	13,603			11,808,603	0.29%		35,507	
2005	12,910,000	20,781			12,930,781	0.26%		33,824	

Source: District CAFR Schedules I-1, I-2

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

- 1 District Records
- 2 Personal income has been estimated based upon the municipal population per capita
- 3 Per Capita personal income by county-estimated based upon the Census Bureau midyear population estimates, revised April 2012

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2014	\$ 4,795,000	\$	\$ 4,795,000	0.56%	\$ 369
2013	5,640,000		5,640,000	0.64%	434
2012	6,460,000		6,460,000	0.71%	492
2011	7,255,000		7,255,000	0.80%	551
2010	8,030,000		8,030,000	0.89%	609
2009	8,780,000		8,780,000	0.99%	693
2008	9,505,000		9,505,000	2.13%	751
2007	10,670,000		10,670,000	2.44%	846
2006	11,795,000		11,795,000	2.73%	933
2005	12,910,000		12,910,000	3.02%	1,025

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-13.

If a district has resources that are restricted to repaying the principal of debt outstanding, these amounts should be shown in a separate column "Deductions" and be subtracted from the total, and the schedule should be named ratios of net general bonded debt outstanding.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2014

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Penns Grove Borough	\$ 1,440,419	100%	\$ 1,440,419
Carneys Point Township	3,668,649	100%	3,668,649
Other debt			
County of Salem - Township's Share	45,996,464	13.178%	6,061,288
Subtotal, Overlapping Debt			<u>11,170,356</u>
Penns Grove-Carneys Point School District Direct Debt			<u>4,795,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 15,965,356</u></u>

Sources: Penns Grove-Carneys Point Finance Officer and Salem County Finance Office

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Penns Grove-Carneys Point. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for paying the debt, of each overlapping.

^a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's taxable value.

	<u>Gross Debt</u>	<u>Deductions (3)</u>	<u>Statutory Net Debt Outstanding</u>
Municipal Debt: (1)			
Penns Grove-Carneys Point Regional School District	\$ 5,640,000	\$ 5,640,000	\$ -
Borough of Penns Grove	2,551,275	1,110,856	1,440,419
Township of Carneys Point	9,350,103	5,681,455	3,668,648
	<u>17,541,378</u>	<u>12,432,311</u>	<u>5,109,067</u>
Overlapping Debt Apportioned to the Municipality			
County Of Salem: (2)			
Borough of Penns Grove (4)	2,433,036	857,896	1,497,879
Township of Carneys Point (4)	9,576,284	3,376,628	5,895,563
Salem County Improvement Authority/Utilities Authority (2)			
Borough of Penns Grove (4)	2,247,898	2,247,898	
Township of Carneys Point (4)	227,509	227,509	
	<u>14,484,728</u>	<u>6,709,931</u>	<u>7,393,443</u>
	<u><u>\$ 32,026,106</u></u>	<u><u>\$ 19,142,242</u></u>	<u><u>\$ 12,502,510</u></u>

Sources:

- (1) 2013 Annual Debt Statement
- (2) Salem County, Salem County Improvement Authority Official Statements
- (3) Deductible in accordance with N.J.S. 40:37A-80.
- (4) Such debt is allocated as a proportion of the Borough's and Township's share of the total 2012 Equalized Value, which is 12.16% and 3.20%, respectively. The source for this computation was the 2012 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Debt Limit	\$ 34,559,511	\$ 34,599,511	\$ 34,238,463	\$ 33,907,190	\$ 32,688,613	\$ 30,414,680	\$ 27,233,333	\$ 24,119,919	\$ 21,612,258	\$ 20,225,053
Total Net Debt Applicable to Limit	<u>5,640,000</u>	<u>5,640,000</u>	<u>6,460,000</u>	<u>7,255,000</u>	<u>8,030,000</u>	<u>8,780,000</u>	<u>9,505,000</u>	<u>10,670,000</u>	<u>11,795,000</u>	<u>12,910,000</u>
Legal Debt Margin	<u>\$ 28,919,511</u>	<u>\$ 28,959,511</u>	<u>\$ 27,778,463</u>	<u>\$ 26,652,190</u>	<u>\$ 24,658,613</u>	<u>\$ 21,634,680</u>	<u>\$ 17,728,333</u>	<u>\$ 13,449,919</u>	<u>\$ 9,817,258</u>	<u>\$ 7,315,053</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	16.32%	16.30%	18.87%	21.40%	24.57%	28.87%	34.90%	44.24%	54.58%	63.83%

Source: Abstract of Ratables and District Records CAFR Schedule J-7

a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Year		Population ¹	Personal Income (thousands of dollars) ²	Per Capita Personal Income ³	Unemployment Rate ⁴	
					Borough of Penns Grove	Township of Carneys Point
2014	**	12,998	\$ 561,529,653	\$ 43,201	13.7%	11.1%
2013		13,002	556,141,047	42,774	13.2%	10.6%
2012		13,123	555,759,050	42,350	26.3%	14.9%
2011		13,160	542,086,720	41,192	26.9%	15.4%
2010		13,179	525,697,131	39,889	25.6%	14.5%
2009		12,667	495,761,046	39,138	16.1%	8.7%
2008		12,659	496,916,386	39,254	13.0%	5.4%
2007		12,616	468,785,328	37,158	13.0%	5.4%
2006		12,644	448,950,508	35,507	13.1%	6.9%
2005		12,595	426,013,280	33,824	12.7%	6.9%

Source:

1 Population information provided by the NJ Dept of Labor and Workforce Development

2 Personal income has been estimated based upon the municipal population and per capita personal income presented

³ Per Capita personal income by county-estimated based upon the Census Bureau midyear population estimates, revised April 2012

⁴ Unemployment data provided by the NJ Dept of Labor and Workforce Development

** Estimate

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Borough of Penns Grove

<u>2014</u>			<u>2005</u>	
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>

Not Available

Township of Carney's Point

<u>2014</u>			<u>2005</u>	
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>

Not Available

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
Unaudited

<u>Function/Program</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Instruction										
Regular	160	157	155	144	150	163	165	168	167	
Special Education	41	45	46	48	42	46	45	43	42	
Other Special Education	31	29	30	6	6	6	6	7	7	
Other Instruction	32	30	33	80	80	58	58	51	49	
Support Services:										Unavailable
Student & Instruction Related Services	39	38	26	15	16	16	16	16	16	
General Administrative Services	11	7	9	15	16	16	16	16	16	
School Administrative Services	21	19	22	16	16	16	15	15	15	
Business Administrative Services	5	5	5	5	5	5	5	5	5	
Plant Operations and Maintenance	28	30	33	32	31	32	32	34	34	
Pupil Transportation	1	1	1	1		1	1	1	1	
Food Service	36	33	31	31	33	36	36	37	36	
Total	405	394	391	393	395	395	395	393	388	

Source: District Personnel Records

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
Unaudited

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff (2)	Pupil/Teacher Ratio					Average Daily Enrollment (ADE) (3)	Average Daily Attendance (ADA) (3)	% Change in Average Enrollment	Student Attendance Percentage
						Lafayette-Pershing Elementary	Field Street Elementary	Paul W. Carleton Elementary	Middle School	High School				
2014	2,342	\$ 36,011,810	\$ 15,377	0.73%	220	1 : 12.8	1 : 12.0	1 : 10.4	1 : 9.1	1 : 8.9	2,341.5	2,175.3	1.59%	92.90%
2013	2,315	35,337,779	15,265	-1.44%	221	1 : 14.2	1 : 10.8	1 : 11.1	1 : 8.8	1 : 8.7	2,304.7	2,153.5	2.04%	93.44%
2012	2,237	34,645,217	15,487	9.80%	228	1 : 8.3	1 : 11.0	1 : 10.8	1 : 9.1	1 : 9.0	2,258.7	2,120.7	-4.02%	93.89%
2011	2,372	33,456,848	14,105	5.56%	238	1 : 8.3	1 : 11.0	1 : 10.8	1 : 9.1	1 : 9.0	2,375.4	2,209.6	-3.22%	93.02%
2010	2,436	32,549,622	13,362	5.71%	229	1 : 13.6	1 : 10.8	1 : 11.1	1 : 8.6	1 : 9.4	2,449.8	2,283.0	-0.91%	93.19%
2009	2,465	31,156,616	12,640	9.53%	231	1 : 15.0	1 : 11.6	1 : 11.6	1 : 8.8	1 : 9.8	2,496.4	2,304.0	-1.47%	92.29%
2008	2,478	28,594,859	11,539	-0.07%	222	1 : 14.6	1 : 12.8	1 : 9.4	1 : 9.5	1 : 10.9	2,496.4	2,338.4	3.40%	93.67%
2007	2,353	27,170,201	11,547	5.35%	213	1 : 15.7	1 : 11.3	1 : 9.4	1 : 9.8	1 : 9.5	2,428.8	2,261.5	3.33%	93.11%
2006	2,314	25,363,273	10,961	-12.34%	223	1 : 16.7	1 : 11.5	1 : 9.8	1 : 9.9	1 : 9.5	2,353.1	2,188.6	2.87%	93.01%
2005	2,302	28,785,119	12,504	2.77%	193	1 : 17.8	1 : 12.6	1 : 9.0	1 : 10.3	1 : 9.4	2,282.7	2,127.5	1.81%	93.20%

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count.

- (1) Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- (2) Teaching staff includes only full-time equivalents of certificated staff. 2006 information obtained from the fall survey.
- (3) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
Unaudited

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<u>District Building</u>										
<u>Elementary</u>										
Lafayette-Pershing (1991)										
Square Feet	47,470	47,470	47,470	47,470	47,470	47,470	47,470	47,470	47,470	47,470
Capacity (students)	400	400	400	400	400	400	400	400	400	400
Enrollment	393	375	370	369	353	359	387	337	333	319
Field Street (1955)										
Square Feet	67,901	67,901	67,901	67,901	67,901	67,901	67,901	66,481	66,481	66,481
Capacity (students)	489	489	489	489	489	489	489	506	506	506
Enrollment	552	513	511	556	551	559	538	531	529	492
Paul W. Carleton (1951)										
Square Feet	53,115	53,115	53,115	53,115	53,115	53,115	53,115	55,515	55,515	55,515
Capacity (students)	369	369	369	369	369	369	369	369	369	369
Enrollment	313	347	334	334	356	371	345	326	324	301
<u>Middle School</u>										
Penns Grove Middle School (1935)										
Square Feet	85,540	85,540	85,540	85,540	85,540	85,540	85,540	85,540	85,540	85,540
Capacity (students)	541	541	541	541	541	541	541	541	541	541
Enrollment	500	475	499	519	510	492	498	508	512	534
<u>High School</u>										
Penns Grove High School (1971)										
Square Feet	166,000	166,000	166,000	166,000	166,000	166,000	166,000	166,000	166,000	166,000
Capacity (students)	990	990	990	990	990	990	990	990	990	990
Enrollment	564	515	546	594	665	684	687	656	585	571
<u>Other</u>										
Administration Building (2000)										
Square Feet	7,850	7,850	7,850	7,850	7,850	7,850	7,850	7,850	7,850	7,850

Number of Schools at June 30, 2014
 Elementary = 3
 Middle School = 1
 High School = 1
 Other = 1

Source: District records, ASSA

Note: Year of original construction is shown in parentheses along with additions. Increases in square footage and capacity are the result of any additions. Enrollment is based on the annual October district count.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
Unaudited

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-XXX

<u>School Facilities</u>	<u>Gross Square Footage</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Penns Grove High School	166,000	\$ 72,038	\$ 71,404	\$ 122,078	\$ 116,262	\$ 192,057	\$ 79,002	\$ 100,741	\$ 93,596	\$ 33,084	\$ 85,932
Penns Grove Middle School	85,540	55,072	51,927	76,144	23,044	50,562	39,135	33,030	64,017	49,791	31,280
Paul W. Carleton School	53,115	30,633	17,804	53,584	46,116	27,386	22,294	27,077	17,645	22,925	23,831
Field Street School	67,901	120,897	41,541	55,353	31,817	49,570	29,694	39,120	37,791	34,107	39,105
Lafayette-Pershing School	47,470	41,598	26,822	46,138	20,149	45,298	21,382	19,963	30,331	39,762	30,184
Total School Facilities		<u>320,238</u>	<u>209,498</u>	<u>353,297</u>	<u>237,388</u>	<u>364,873</u>	<u>191,507</u>	<u>219,931</u>	<u>243,380</u>	<u>179,669</u>	<u>210,332</u>
Other Facilities	7,850	5,227	9,314	7,352	4,460	10,330	4,876	4,217	41,018	30,168	
Grand Total		<u>\$ 325,465</u>	<u>\$ 218,812</u>	<u>\$ 360,649</u>	<u>\$ 241,848</u>	<u>\$ 375,203</u>	<u>\$ 196,383</u>	<u>\$ 224,148</u>	<u>\$ 284,398</u>	<u>\$ 209,837</u>	<u>\$ 210,332</u>

* School Facilities as defined under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2014
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Property, Inland Marine and Automobile Physical Damages		
Limits of Liability	150,000,000	
GCSSDJIF Self Insured Retention	250,000	
Member District Deductible	500	
Perils Included	"All Risk"	
Property Valuation		
Buildings and Contents	Replacement Cost	
Contractors Equipment	Actual Cash Value	
Automobiles	Replacement Cost	
Boiler and Machinery		
Limits of Liability	125,000,000	
GCSSDJIF Self Insured Retention	None	
Member District Deductible		1,000
Crime		
Limits of Liability	500,000	
GCSSDJIF Self Insured Retention	250,000	
Member District Deductible		500
General and Automobile Liability		
Limits of Liability	15,000,000	
GCSSDJIF Self Insured Retention (SIR)	250,000	
Member District Deductible		None
Workers' Compensation		
Limits of Liability	Statutory	
GCSSDJIF Self Insured Retention	250,000	
Member District Deductible		None
Educator's Legal Liability		
Limit of Liability	15,000,000	
GCSSDJIF Self Insured Retention	100,000	
Member District Deductible		None
Pollution Legal Liability		
Limit of Liability	3,000,000	
GCSSDJIF Self Insurance Retention	None	
Member District Deductible		25,000
Cyber Liability		
Limits of Liability	1,000,000	
GCSSDJIF Self Insurance Retention	None	
Member District Deductible		25,000

Source: District Records

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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October 30, 2014

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Penns Grove-Carneys Point Regional School District
County of Salem, New Jersey

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Penns Grove-Carneys Point Regional School District in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2014, which collectively comprise the Board of Education of the Penns-Grove Carneys Point Regional School District's basis financial statements and have issued our report thereon dated October 30, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in **Government Auditing Standards**, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Board of Education of the Penns-Grove Carneys Point Regional School District, in the County of Salem, State of New Jersey, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Penns-Grove Carneys Point Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Penns-Grove Carneys Point Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Penns-Grove Carneys Point Board of Education's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiency in internal control over financial reporting that we consider to be a material weakness, as defined above and which is described in the accompanying schedule of findings and questioned costs. We did, however note one immaterial matter involving internal control that we have reported to the Penns-Grove Carneys Point Board of Education's in a separate report entitled, Auditor's Management Report on Administrative Findings, Compliance and Performance dated October 30, 2014, labeled 2014-1.

Compliance and Other Matters

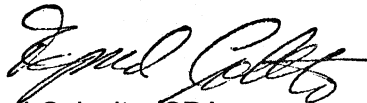
As part of obtaining reasonable assurance about whether the Penns-Grove Carneys Point Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that was required to be reported under **Government Auditing Standards** and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, labeled Finding 2014-1.

Purpose of this Report

This report is intended solely for the information and use of the audit committee, management, the Board of Education, the New Jersey Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915

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October 30, 2014

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT
ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON
SCHEDULE OF AWARDS REQUIRED BY OMB CIRCULAR A-133
AND NEW JERSEY OMB CIRCULAR 04-04**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Penns-Grove Carneys Point Regional School District
County of Salem, New Jersey

Report on Compliance for Each Major Program

We have audited of the Board of Education of the Penns-Grove Carneys Point Regional School District, in the County of Salem, State of New Jersey, compliance with the types of compliance requirements described in the ***U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement*** and the ***New Jersey State Aid/Grant Compliance Supplement*** that could have a direct and material effect on each of Penns-Grove Carneys Point Regional School District's major federal and state programs for the fiscal year ended June 30, 2014. The Penns-Grove Carneys Point Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on the Penns-Grove Carneys Point Board of Education's compliance based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in ***Government Auditing Standards***, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; OMB Circular A-133 ***Audits of States, Local Governments and Non-Profit Organizations***; and New Jersey OMB's Circular 04-04, ***Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid***. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Penns-Grove Carneys Point Regional School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Penns-Grove Carneys Point Board of Education's compliance with those requirements.

Opinion on Each Major Program

In our opinion, the Board of Education of the Penns-Grove Carneys Point Regional School District, in the County of Salem, State of New Jersey, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the Board of Education of the Penns-Grove Carneys Point Regional School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Penns-Grove Carneys Point Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJ OMB's Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Penns-Grove Carneys Point Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance; such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a major program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we discovered one immaterial instance of noncompliance that was required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, labeled Finding 2014-1.

The Board of Education of the Penns-Grove Carneys Point Regional School District responses to the findings identified in our audit is described in the accompanying schedule of findings and questioned cost. We did not audit the Board of Education of the Penns-Grove Carneys Point Regional School District responses and, accordingly, we express no opinion on the responses.

This report is intended for the information and use of the audit committee, management, the Penns-Grove Carneys Point Board of Education, the New Jersey State Department of Education, and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA

Licensed Public School Accountant - No. 915

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - SCHEDULE A
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Federal Grantor/Pass-Through Grantor / Program Title	CFDA Number	State Project Number	Grant Period From To	Program or Award Amount	June 30, 2013			Cash Received	Budgetary Expenditures	Repayment of Prior Year Balances	Adj.	June 30, 2014	
					Accounts Receivable	Deferred Revenue	Due to Grantor					(Accounts Receivable)	Unearned Revenue
General Fund													
U.S. Department of Education:													
Passed-through State Department of Education													
Education Jobs Fund	84.410	N/A	7/1/12-6/30/13	\$ 1,838	\$ (1,838)	\$	\$	1,838	\$	\$	\$		\$
Medical Assistance Program	93.778	N/A	7/1/13-6/30/14	91,891				89,604	(91,891)				(2,287)
Total General Fund					(1,838)			91,442	(91,891)				(2,287)
Special Revenue Fund:													
U.S. Department of Education													
Passed-through State Department of Education:													
Special Revenue Fund:													
Title I - Part A	84.010	NCLB407014	7/1/13-6/30/14	1,599,108				1,014,044	(1,287,098)		125		(272,929)
Title I - Part A	84.010	NCLB407013	9/1/12- 8/31/13	1,278,853	(292,359)			292,359					
Title II A	84.367	NCLB407014	7/1/13-6/30/14	157,409				157,409	(157,409)				
Title II A	84.367	NCLB407013	9/1/12- 8/31/13	150,562	(28,641)			28,641					
Title III	84.365	NCLB407014	7/1/13-6/30/14	49,188				49,188	(49,188)				
Title III	84.365	NCLB407013	9/1/12- 8/31/13	47,643	(5,293)			5,293					
I.D.E.A. Part B, Basic Regular	84.027	IDEA407014	7/1/13-6/30/14	521,150				344,556	(521,150)				(176,594)
I.D.E.A. Preschool Incentive	84.173	IDEA407014	7/1/13-6/30/14	20,266				20,266	(20,266)				
Race to the Top (Phase 3)	84.413A	RTT3407013	9/1/11-11/30/15	105,636	(2,700)			44,584	(43,084)				(1,200)
Carl D. Perkins	84.243	PERK407014	7/1/13-6/30/14	13,803				6,784	(13,803)				(7,019)
Carl D. Perkins	84.243	PERK407013	7/1/12-6/30/13	11,295	(4,016)			4,016					
Total U.S. Department of Education					(333,009)			1,967,140	(2,091,998)		125		(457,742)
Enterprise Fund													
U.S. Dept. of Agriculture Passed-through State Dept. of Education:													
Child Nutrition Cluster:													
Cash Assistance:													
National School Lunch Program	10.555	N/A	7/1/13-6/30/14	714,325				659,038	(714,325)				(55,287)
National School Lunch Program	10.555	N/A	7/1/12-6/30/13	670,929	(127,255)			127,255					
National School Breakfast Program	10.553	N/A	7/1/13-6/30/14	134,013				122,067	(134,013)				(11,946)
National School Breakfast Program	10.553	N/A	7/1/12-6/30/13	114,719	(23,304)			23,304					
Fresh Fruit and Vegetable Program	10.582	N/A	7/1/12-6/30/13	17,350	(5,822)			5,822					
National School Snack Program	10.555	N/A	7/1/13-6/30/14	6,948				6,520	(6,948)				(428)
National School Snack Program	10.555	N/A	7/1/12-6/30/13	6,392	(1,176)			1,176					
Non-Cash Assistance:													
Food Distribution Program	10.550	N/A	7/1/13-6/30/14	87,145				87,145	(82,213)				4,932
Food Distribution Program	10.550	N/A	7/1/12-6/30/13	84,583		2,683			(2,683)				
Total U.S. Department of Agriculture					(157,557)	2,683		1,032,327	(940,182)				(67,661) 4,932
Total Federal Financial Assistance					\$ (492,404)	\$ 2,683	\$	\$ 3,090,909	\$ (3,124,071)	\$	\$ 125	\$	(527,690) \$ 4,932

See accompanying notes to schedules of financial assistance

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE - SCHEDULE B
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From	To	June 30, 2013		Cash Received	Budgetary Expenditures	Adjustment	June 30, 2014		MEMO	
					(Accounts Receivable)	Unearned Revenue				(Accounts Receivable)	Unearned Revenue	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:													
General Fund - Current Expense:													
Special Education Categorical Aid	14-495-034-5120-089	\$ 1,172,562	7/1/13 to 6/30/14	\$	\$	\$ 1,064,566	\$ (1,172,562)	\$	\$ (107,996)	\$	\$ (107,996)	* \$	1,172,562
Special Education Categorical Aid	13-495-034-5120-089	1,156,552	7/1/12 to 6/30/13		(111,248)	111,248							
Equalization Aid	14-495-034-5120-078	19,728,590	7/1/13 to 6/30/14			17,911,540	(19,728,590)		(1,817,050)		(1,817,050)	*	19,728,590
Equalization Aid	13-495-034-5120-078	19,498,681	7/1/12 to 6/30/13		(1,875,573)	1,875,573							
Security Aid	14-495-034-5120-084	281,855	7/1/13 to 6/30/14			255,895	(281,855)		(25,960)		(25,960)	*	281,855
Security Aid	13-495-034-5120-084	269,821	7/1/12 to 6/30/13		(25,954)	25,954							
Transportation Aid	14-495-034-5120-014	103,538	7/1/13 to 6/30/14			94,002	(103,538)		(9,536)		(9,536)	*	103,538
Transportation Aid	13-495-034-5120-014	102,634	7/1/12 to 6/30/13		(9,872)	9,872							
Extraordinary Special Education Aid	14-495-034-5120-473	108,669	7/1/13 to 6/30/14				(108,669)		(108,669)			*	108,669
Extraordinary Special Education Aid	13-495-034-5120-473	212,012	7/1/12 to 6/30/13		(212,012)	212,012							
Nonpublic Transportation aid	14-495-034-5120-014	6,034	7/1/13 to 6/30/14				(6,034)		(6,034)			*	6,034
Nonpublic Transportation aid	13-495-034-5120-014	4,632	7/1/12 to 6/30/13		(4,632)	4,632							
TPAF Post-Retirement Med'l.													
On-behalf (Non-budgeted)	14-495-034-5095-001	1,141,146	7/1/13 to 6/30/14			1,141,146	(1,141,146)					*	1,141,146
TPAF Pension Contribution													
On-behalf (Non-budgeted)	14-495-034-5095-006	695,980	7/1/13 to 6/30/14			695,980	(695,980)					*	695,980
T.P.A.F. Social Security Aid	14-495-034-5095-002	1,178,756	7/1/13 to 6/30/14			1,178,756	(1,178,756)					*	1,178,756
T.P.A.F. Social Security Aid	13-495-034-5095-002	1,134,513	7/1/12 to 6/30/13		(61,662)	61,662							
					(2,300,953)		24,642,838	(24,417,130)		(2,075,245)		(1,960,542)	24,417,130
Special Revenue Fund:													
Preschool Education Aid	14-495-034-5120-086	866,970	7/1/13 to 6/30/14			780,273	(866,970)		(86,697)		(86,697)	*	866,970
Preschool Education Aid	13-495-034-5120-086	790,590	7/1/12 to 6/30/13		(79,059)	79,059							
Department of Agriculture													
Curriculum in Agricultural Science Education	Not Available	10,000	4/18/12-8/31/12		(142)	5,010	5,142	(9,696)		314		*	9,696
					(79,201)	5,010	864,474	(876,666)		(86,697)	314	(86,697)	876,666
Debt Service Fund:													
Debt Service Aid Type II	14-495-034-5120-075	506,121	7/1/13 to 6/30/14			506,121	(506,121)					*	506,121
State Department of Agriculture:													
Enterprise Fund													
National School Lunch Program (State Share)	14-100-010-3350-023	15,471	7/1/13 to 6/30/14			13,498	(15,471)		(1,973)			*	15,471
National School Lunch Program (State Share)	13-100-010-3350-023	15,409	7/1/12 to 6/30/13		(3,664)	3,664							
					(3,664)		17,162	(15,471)		(1,973)			15,471
Total State Financial Assistance				\$	(2,383,818)	\$ 5,010	\$ 26,030,595	\$ (25,815,388)	\$	(2,163,915)	\$ 314	\$ (2,047,239)	\$ 25,815,388

See accompanying notes to schedules of financial assistance

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2014

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Penns Grove-Carneys Point Regional School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies are included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 2 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits for States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A.*, 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A.*, 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$62,105 for the general fund and (\$7,638) for the special revenue fund. See Note A (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT.
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2014

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 91,891	\$ 24,479,235	\$ 24,571,126
Special Revenue Fund	2,091,998	869,028	2,961,026
Debt Service		506,121	506,121
Food Service Fund	<u>940,182</u>	<u>15,471</u>	<u>955,653</u>
Total Awards & Financial Assistance	\$ <u>3,124,071</u>	\$ <u>25,869,855</u>	\$ <u>28,993,926</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING

Penns Grove-Carneys Point Regional School District had no outstanding State or federal loans at June 30, 2014.

NOTE 6: OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2014. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2014.

NOTE 7: SCHOOLWIDE PROGRAM FUNDS

As the District's Federal Programs are on a schoolwide program basis in the District.

NOTE 8: MAJOR PROGRAMS

Major programs are identified in the Summary of Auditor's Results Section of the Schedule of Findings and Questioned Cost.

NOTE 9: ADJUSTMENTS

There was one immaterial adjustment to a Federal Award of \$125 and none on State Aid, as reflected on Schedule A and Schedule B.

**PENNS-GROVE CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

1) Material weakness (es) identified?

_____ yes X _____ no

2) Significant deficiencies identified?

_____ yes X _____ none reported

Noncompliance material to basic
financial statements noted?

_____ yes X _____ no

Federal Awards

Auditee qualified as low-risk auditee?

X _____ yes _____ no

Internal control over major programs:

1) Material weakness (es) identified?

_____ yes X _____ no

2) Significant deficiencies identified?

_____ yes X _____ none reported

Type of auditor's report issued on compliance for
major programs:

Unmodified

Any audit findings disclosed that are required to be
reported in accordance with section .510(a) of
Circular A-133?

_____ yes X _____ no

CFDA Number(s)

Name of Federal Program or Cluster

84.010

Title I, Part A Cluster

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000.00

Auditee qualified as low-risk auditee?

X _____ yes _____ no

Section I - Summary of Auditor's Results (continued)

GMIS Number(s)	Name of State Program
14-495-034-5120-078	Equalization Aid
14-495-034-5120-089	Special Education Categorical Aid
14-495-034-5120-084	Security Aid

**PENNS-GROVE CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(continued)**

Section II - Financial Statement Findings

None

**PENNS-GROVE CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(continued)**

**Section III - Federal Awards and State Financial Assistance
Findings and Questioned Costs**

FEDERAL AWARDS

Finding: NONE

Information on the federal program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

STATE AWARDS

Finding: NONE

Information on the state program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

**PENNS-GROVE CARNEYS POINT REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2014**

This section identifies the status of prior - year findings related to the general - purpose financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 Government Auditing Standards, U.S. OMB Circular A-133 (Section .315 (a)(b)) and New Jersey OMB's Circular 04-04.

STATUS OF PRIOR - YEAR FINDINGS

There were no prior year findings.